The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE; POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

IS THE LINDBERGH BABY SLAYER IN JAPAN?

THE Shanghai *Evening Post* on August 9 reprinted a story that already had appeared in the *Japan Advertiser*, American paper in Tokyo, to the effect that the alleged slayer of the Lindbergh baby had fled to the Far East and is now in Japan. It was stated that the New Jersey state police had sent a description of the man to the Tokyo Metropolitan Police Board, to the effect that the alleged kidnapper and murderer was between 35 and 40 years of age, about five feet nine inches tall, between 150 and 160 pounds in weight, of strong build and with protruding jaw and eyes unusually wide apart. The description then went on to tell of the kind of clothing the man was wearing at the time of his departure for Japan and stated that he spoke English with a slight accent, and finally it was alleged he had connections in the Far East and supposedly was involved in drug smuggling.

Just how the New Jersey police could supply a detailed description of a criminal whom they never had seen after the greatest man-hunt in American history was not stated. But the publication of the report that the alleged kidnapper and murderer had fled to Japan was of some significance due to a fanciful report which was current in Shanghai during the height of the excitement over the kidnapping, to the effect that the plot to kidnap the Lindbergh baby was hatched by Japanese secret-service operators in the United States as a means of diverting the attention of the American people, but particularly the American press from the Japanese invasion of Shanghai. According to the report which allegedly came to the Far East from Washington, the Japanese were seriously disturbed at the attention which the American press was giving the Shanghai "war," and were fearful that it might, if not headed off, result in some definite action on the part of the American Government, possibly to the extent of mobilizing the U. S. Fleet which already was in Pacific waters engaged in manouvers at Hawaii. Continuing, the report alleged that the Japanese military secret service officers of whom there are large numbers in the United States, held a conference and decided that something should be done to divert the attention of the American newspapers from the Shanghai war. Finally a small committee was appointed to make contact with certain criminal elements engaged

in the bootlegging and drug-smuggling industry and as a result it was decided to kidnap the Lindbergh baby as the most sensational thing that could be done from the standpoint of the American press. Needless to say the criminal selected for the job was well paid with a promise of a pension for life and protection in the event he succeeded in getting out of America and to Japan. We leave further elaboration of the plot to the movie experts of Hollywood.

"CONFISCATED BY JAPANESE GENDARME CORPS"

ON Monday of this week *The Review* received this letter from one of its agents in a leading city of Manchuria:

August 9, 1932

CHINA WEEKLY REVIEW
38 AVENUE EDWARD VII
SHANGHAI

DEAR SIRS:—WE BEG TO INFORM YOU THAT WE HAVE FOR SEVERAL YEARS ACTED AS AGENT FOR YOUR REVIEW. PLEASE STOP SENDING THE PAPER TO US IMMEDIATELY.

A FEW DAYS AGO THE JAPANESE GENDARMES ENTERED OUR STORE AND CONFISCATED THE TWENTY-EIGHT COPIES OF THE LATEST ISSUE WE HAD ON HAND.

THE MAIL SERVICE IS COMPLETELY BLOCKED HERE BUT THIS LETTER IS BEING SENT TO YOU BY A MEMBER OF OUR STAFF WHO HAS FLED TO SHANTUNG.

YOURS VERY TRULY
THE .....BOOK STORE

When we received the foregoing letter we felt at first inspired to write a strong denunciation of Japanese police and military activities in Manchuria, but on second thought decided not to do so. The letter from our Chinese agent speaks more eloquently regarding actual conditions in Manchuria than anything which we might write.

MORE TROUBLE FOR ORIENTAL DEVELOPMENT COMPANY

AMERICAN bankers will be interested in a report published in Tokyo that the Oriental Development Corporation has redoubled its efforts to induce the Japanese Government to assume responsibility for foreign loans contracted by the company and now due amounting to G.$34,000,000. According to the report which appeared in the *Japan Chronicle* on August 6, the company decided not to pay any dividend for the first six months of this year due to losses through exchange difference amounting to Yen 1,300,000. The yearly interest payments which the company had to meet amounted to Yen 4,000,000, but the decrease in the value of the yen had raised the interest payments to practically Yen 8,000,000. The report listed the aggregate value of the company's loans at Yen 65,000,000, but the government would have to pay Yen 75,000,000. The Oriental Development Corporation is capitalized at Yen 50,000,000 with Yen 35,000,000 paid up, but the company has agreed in the event the Government takes over its loans that the capital will be decreased Yen 10,000,000.

There is interest in this report because the Oriental Development Corporation was organized several years ago for the purpose of purchasing lands in Korea and Manchuria with the object of encouraging Japanese emigration to the Asiatic mainland. In accordance with the plan large loans were contracted abroad, chiefly in New York and Paris, but despite the expenditure of this money little success has been achieved in the emigration project—and now after many years of effort the Company, in accordance with the usual custom in Japan, is asking the Government to take over its liabilities. In other words the already over-burdened Japanese tax-payers are asked to foot the bill as they were compelled to do several years ago with the so-called Nishihara loans amounting to more than $350,000,000 which were advanced to the old Chinese Anfu clique in Peking.

"AMBASSADOR TO MANCHURIA"--- JAPAN NOTIFIES LEAGUE

WHETHER or not in the end Japan intends to withdraw from the League of Nations, there is every indication that the Japanese delegates are going to put up a strong case at Geneva at the forthcoming session of the League Assembly. Without waiting for the presentation of the Lytton Enquiry Commission's report, the Japanese Government Augst 15 presented a note to the Secretary General of the League of Nations, Sir Eric Drummond, explaining Japan's attitude relative to the recent appointment of an ambassador extraordinary and plenipotentiary on a special mission to Manchukuo, the text of which was as follows:

> "The Japanese Government having recognized for long the necessity for creating an appropriate organ to coordinate the various Japanese institutions in Manchuria.
>
> "Therefore it seeks to unite all these Japanese institutions, organizations, consular service and the general administration of the Kwantung forces under a single head. General Muto was therefore named on August 8, 1932 commander-in-chief of the Kwantung Army and simultaneously ambassador extraordinary and plenipotentiary on a special mission in Manchuria and was named at the same time Governor General of Kwantung Peninsula.
>
> "This nomination is based on an Imperial decree of 1917.
>
> "General Muto is sent to Manchuria to settle necessary affairs, such as the direction and care of the Japanese consuls-general in Manchuria and the taking of measures in accordance with the real state of affairs in Manchuria at the present time. He carries no credentials to any government and the nomination was made by one country unilaterally."

It may easily be believed, as mentioned in a *Transocean* message from Geneva, that Japan's precipitancy in sending the note has caused a "painful impression" there. The contents of the Note were transmitted by the Secretariat to the other members of the League.

That Japan intends to act vigorously at Geneva is indicated in remarks made recently by Yosuke Matsuoka, at present on a tour of inspection in Manchuria preparatory to leaving for Geneva as one of Japan's delegates. Mr. Matsuoka is quoted in a message from Mukden to have said,

"We are firmly convinced that the steps our country has pursued since September last are the only rightful path for us to tread. Japan, indeed, has acted on her own firm conviction. No country in the world can deny this firm determination on the part of Japan. . . . We have not the least intention of weighing lightly the procedure of the League for we know very well that the League of Nations is after all an organ for the promotion of peace of the world. From this fact alone, it can not be conceived that the League should adopt a policy of disrupting the peace of the Far East through confounding the means with the very end. Japan, as a member of the League, should exert itself at the forthcoming session towards fully convincing the western world that the solution of the Manchurian question is the basic factor for the peace of the entire Far East and eventually of the whole world as well. Japan, in fact, should attend the forthcoming League with no preoccupation and she should expound her case as lucidly as possible."

All of this, it is to be noted, is a characteristic Nipponese method of putting over the idea that if the peace of the world is disturbed it will be the League's fault, not Japan's.

T. V. Soong Speaks Sarcastically about Buffer State

Interviewed by *Reuter's* correspondent in Shanghai August 9, T. V. Soong, Minister of Finance, expressed surprise at the cable reports that the position of Manchukuo as a buffer state between China and Japan is being discussed with keen interest in London.

"The straits between Japan and the mainland of Asia are many times wider than the Channel which kept British shores inviolate for centuries, and yet Japan found it necessary to swallow Korea. The process of swallowing up neighboring territory continues with the seizure of the Three Eastern Provinces, and even now Japan is poised for a descent on the province of Jehol, a gateway to Peking. It was a British statesman who stated that there are no limits to the theory of geographical propinquity.

"The idea of a 'buffer state' in Manchuria so readily accepted by the Tokyo correspondent of the *London Times* moves one to astonishment, as by now the merest child could understand the Gilbert and Sullivan nature of the independent state of Manchukuo. Pu Yi, the so-called Chief Executive, is indeed fittingly named after the immortal Pooh Bah. And the *London Times'* correspondent's opinion that 'a remedy had to be found for the disregard of Japan's rights in Manchuria' could well be set to the comic strains of 'the punishment befitting the crime.'

"One wonders if a section of the British public is not at long last having its conscience pricked, and is seeking a justification for inactivity in face of the flagrant violation of the Nine-Power Treaty where great nations solemnly and unconditionally guaranteed the territorial and administrative integrity of China."

Continuing, Mr. Soong said: "The present grave crisis which has arisen through the resignation of Wang Ching-wei is not to be wondered at, and should not be held up against China as a further proof of her instability, when it is considered that Japan, the successful aggressor nation, assassinated two of her Premiers, a Minister of China, and a Minister of Finance, over the identical question of relations between the two countries. It is but natural that passions should be aroused in the differences of opinion existing in the despoiled state of China, not only as regards policy but the methods, technique and tempo employed to resist further aggressions.

"I have never played the role of prophet," said Mr. Soong, "but I am genuinely hopeful that the present internal crisis will be satisfactorily solved, and out of it will come a crystallization of the National will that further seizures of territory will be resisted with the resources of a united nation at all costs.

"Goodness knows that we have been patient enough under the utmost provocation, but the acceptance of the pious admonitions of European chancelleries to 'refrain from aggravation' has only resulted in our losing vast territories without the firing of a single shot. A great nation is being crucified, and decency behooves spectators not to seek to assuage their consciences by parrot-like cries of "punishment befitting the crime."

MORE "MAD DOGS" THAT OUGHT TO BE SUPPRESSED

A little more than a year ago a speech, not intended for publication, was made by General Smedley Butler at the Union Club in Philadelphia, in which he spoke about the "mad dogs" of Europe, the reference being intended for Il Duce (Mussolini). Needless to say there was strong protest, but the incident ended there. These "mad dogs" appear on the scene every now and then, two that we have in mind particularly at the present time. Last week a representative of Herr Hitler, the leader of the German Nationalist party, gave an interview to a Swedish paper in which he spoke of a "combine of European states which are united by the bands of racial origin and national consciousness and which are resolved to guarantee the primary rights of the White race against the colored people." It is to be remembered that the Nationalists (Nazis for short) are now the most numerous party in Germany, and it would really be a pity for the German people (who quite rightly hope to get loose from the bonds that hold them) should be led by demagogues with ideas like that. No one who has ever seen that allegorical picture of the Kaiser leading the hosts of Christian Europe against the so-called "heathens" of the Eastern world—it being published at the time of the German descent upon Shantung in the early years of the present century—and then remembers the fate of the Germans as the result of the World War, launched against them not by "heathens" but by "Christian" nations, cannot help but feel that it was the same claim to superiority as against the world in general as that which the Kaiser exhibited towards the "heathen world" which brought on the world-wide campaign against them. The trouble with all these appeals to race prejudice is that the recent history of the world shows that world issues are not fought out on the color of the faces, the slant of the eyes or the shape of the noses of the contenders, but on the issues of self-interest and national security. The Anglo-Japanese alliance was a fine example of how a White and a Yellow nation were willing to combine, regardless of color prejudices. The Great War particularly demonstrated that there is no such issue as between Whites and other races, for both sides vied with each other in using their non-white troops against their white enemies. The only reason why Germany didn't use more non-Whites was because she was not able to get them. The present Far Eastern squabble shows once more that the most intense ill-feeling can exist between two nations of a non-White color, and each side is looking for and depending on white allies to assist them in case the struggle extends in scope. If the German Nationalists hope to gain emancipation for their country the quicker they throw overboard leaders who feed their people on race prejudice of the sort above mentioned the better.

Equally culpable with the German Nationalist representative above referred to is General Araki, the Japanese Minister of War, who in an article contributed to an Army journal in Japan (see another part of this issue of *The Review*) packs more appeals to prejudice into an article than

even the most fervid super-patriot can digest. When any one in these days speaks about his country having a "heaven sent destiny to fulfil" and that its "national ideas must be propagated across the seven seas....even by the use of force," we are firmly of the belief that he qualifies for the same epithet that General Butler hurled at Mussolini, except that whereas the animal that Butler referred to was in Europe this one is in Asia. It is to be noted that this Japanese chauvinist also imported into his remarks the same sort of prejudice against the whites that the German politician above referred to directed against the "colored" races. Any people who are carried away with palaver of this sort are really to be pitied—not hated. Needless to add that if the German people are misled by such Hitlerisms and the Japanese are misled by such Arakiisms they will eventually clash and destroy each other.

Who Was Responsible for the Manchurian Debacle?

WANG CHING-WEI, left-wing leader in the Kuomintang and until quite recently, head of the National Executive Yuan, started something when he issued his sensational telegram on August 6 wherein he resigned his position and at the same time demanded the resignation of Marshal Chang Hsueh-liang, vice-Commander of the National forces stationed in Peiping on the score that Marshal Chang was solely responsible for the loss of Manchuria to the Japanese. The former head of the Executive Yuan started something because his widely circulated telegram has resulted in equally widespread discussion among thinking Chinese as to just who was responsible for the Manchurian debacle.

In other words, was Chang Hsueh-liang solely responsible, or was the responsibility for the loss of three important provinces equally shared by a number of other highly-placed individuals including Mr. Wang Ching-wei and some others—including Generalissimo Chiang Kai-shek of the Central Government; Generals Chen Chi-tang, Li Chung-jen and Bei Chung-hsi of the rebellious Canton faction; Sun Fo, C. C. Wu, Eugene Chen and Lin Sen civilian members of the Cantonese faction; Generals Yen Hsi-shan and Feng Yu-hsiang leading militarists in the so-called Northern Military Coalition against the Central Government; or Dr. C. T. Wang then Foreign Minister of the Nanking Government. Other names might be mentioned but sufficient have been listed to indicate the scope of the self-searching inquiry which is now taking place throughout the country. And while pointing the finger of responsibility one should not overlook the names of several supposedly intelligent citizens of the Republic who are behind the so-called "Red-Rebellion" in central China.

In order to get at the bottom of the situation it is necessary to do some exploring: By some it is argued that had Chang Hsueh-liang been in Mukden with his troops and attending to the defences of his territory, the Japanese might not have launched their campaign. The answer to this leads into the field of speculation, but the facts are that Marshal Chang was not in Mukden, but actually was in Peiping with a considerable section of his troops. He had just returned from the national capital at Nanking where he had been confirmed in his new office of Vice-Commander of the National forces, this honor having been conferred on him because of the assistance he had rendered to Gen. Chiang Kai-shek and the Central Government in defeating the so-called Northern Military Coalition against the said Central Government. Therefore, the answer to the inquiry as to why Marshal Chang was not in Mukden attending to business, is that he had been called to Peiping to assist in protecting the Central Government against a rebel coalition, the outstanding personages in which included Generals Yen Hsi-shan and Feng Yu-hsiang and the left wing leader in the Kuomintang Party, Wang Ching-wei.

The inquiry as to the responsibility for the loss of Manchuria also leads to Canton where a number of other highly-placed individuals were likewise plotting the overthrow of the Central Government. At this time the situation already had become critical in Manchuria for there had occurred the Wanpaoshan incident involving clashes between Chinese police and Japanese gendarmes and the murder of some 200 Chinese residents of Korea. Anyone of intelligence should have known that a serious crisis was pending and that above all else China required national unity. But in spite of this one rebellion had just been suppressed in the North and another was gathering force in the South. And to make matters worse, the Cantonese group actually had sent an emissary to Tokyo in the person of Eugene Chen with the announced purpose of "explaining" the policies of the Canton group on the Manchurian and other questions, which is another manner of stating that Canton was trying to obtain Japanese diplomatic and possibly also, material support for its cause. Among Canton's major objects, obviously, was the elimination of Marshal Chang Hsueh-liang who was regarded as the ally of Gen. Chiang Kai-shek. And Marshal Chang was the ally of Gen. Chiang Kai-shek and the supporter of the Central Government for he had, in utter disregard of Japanese threats, declared his allegience to Nanking and had unfurled the National flag and Kuomintang banner throughout Manchuria. Undoubtedly the Japanese warlords were awaiting a propitious opportunity for jumping on Marshal Chang, hence they must have hailed with great glee the rebellions in both north and south China.

Then something might be said about the activities of Dr. C. T. Wang, Minister of Foreign Affairs at Nanking, who was attacked by the students and driven from office because of his alleged failure to adopt a sufficiently strong attitude against the Japanese. An inquiry into this angle of the situation also leads into interesting speculation because there are some who contend that Dr. Wang's treaty revision campaign was really responsible for the decision of the Tokyo General Staff to adopt military means in order to protect their so-called "rights." The Japanese commercial treaty conferring exterritorial privileges had expired in 1927 and Dr. Wang had refused to renew it except on "equal" terms, meaning an elimina-

tion of the clauses conferring consular jurisdiction on Japanese subjects. And to make matters still worse for the Japanese, Dr. Wang was pushing his campaign for treaty revision most energetically around the world. All important countries with the exception of Britain, America, France and Brazil had signed "equal" treaties and both America and Britain were on the point of signing such treaties when Gen. Honjo moved his troops. Had the American and British treaties been signed, France and Brazil would have come in and Japan would have been completely isolated. But the completion of the American and British treaties was delayed because of domestic developments in China, plus a violent propaganda campaign against the signing of the treaties which was launched by certain die-hard interests in Shanghai, said campaign being headed by a certain foreign journalist whose name it is not necessary to mention in this connection.

But the chief handicap which faced Dr. Wang in his campaign for treaty revision was disturbed domestic conditions in China. Had China been unified his campaign would have been crowned with success for he was following the same procedure that Japan had used so effectively in forcing treaty revision with the Powers a half century earlier. Had China been unified the propaganda of the die-hards in Shanghai would not have amounted to a flea-bite, but domestic disorder in China provided the die-hards—and the Japanese—with a most effective weapon against Dr. Wang's campaign.

We are not going into the causes of the rebellions against the Central Government, whether they were due to improper policies followed by Gen. Chiang Kai-shek and his associates in the Central Government, or to general cussedness on the part of China's feudal-minded militarists and politicians. But the facts stand that domestic complications accompanied by armed revolts against the Central Government gave the Japanese General Staff its long-awaited opportunity for moving its troops into Manchuria first and later on into Shanghai. That the Japanese will move again into Jehol and the Peiping-Tientsin area is obvious unless China's leaders have sufficient intelligence and genuine patriotism to patch up their troubles and stick together in united resistance against the foreign invader.

The discussion should not, of course, be closed without brief reference to conditions in Japan where a long-simmering rebellion against the ruling clique was in existence. Japan had been struck a body-blow by the world depression and over industrial expansion and retrenchment was in order. The civilian government was contemplating a drastic cut in military expenditures and had tentatively agreed upon a reduction in armament at the forthcoming arms conference at Geneva. This would have resulted in a weakening of the military clique and the consolidation of civilian democratic government in Japan, but the Tokyo General Staff did not look kindly upon this plan to undermine its influence through cutting off its life-blood in the form of reduction of military expenditures. For a quarter of a century the General Staff had plotted the occupation and eventual annexation of Manchuria. A drastic reduction of military appropriations likewise would have ended that dream of the Japanese war-lords who regard themselves, along with the Emperor and ruling clique as descendants of the gods hence the sole guardians of the future destiny of the Imperial Empire and the world generally. Hence, by moving into Manchuria the Tokyo General Staff literally killed three birds with one stone: They blocked a cut in military appropriations; prevented their government from agreeing to reduction in land and naval armament; and at the same time captured three Chinese provinces, a territory as large as France and Germany or a half dozen states of the American Union. A fourth gain also might be mentioned, the Tokyo General Staff has succeeded in making the military clique the real government of the country under a sort of military-fascism.

Some argue that the Japanese General Staff would have moved anyway, irrespective of conditions in China, but this does not necessarily follow. Some say that the Japanese navy might have picked a quarrel with the United States and occupied the Philippines, or that the Japanese army might have grabbed Siberia, but these moves were out of the question because both America and Russia were in a position to resist. It was China that offered the Japanese war-lords with their heaven-sent opportunity for conquest as a means of heading off domestic revolution. Had China been unified and China's leaders possessed of genuine patriotic instincts, Japan would not have ventured in and in consequence the Japanese would have been compelled to settle their domestic complications at home. But Chinese discord provided the Japanese war-lords with their heaven-sent diversion and the resulting situation is approximately as stated in the foregoing.

What is to be the outcome?

As the situation stands today China and Japan resemble two boy-swimmers who are competing with each other to see which can hold his head under water the longest. Will China or Japan or both be drowned? If China's military and civilian leaders had sufficient vision to stick together, there would be no question of China's ultimate victory because China is self-sustaining and Japan is not. But if China's leaders keep on squabbling among themselves and weakening themselves and disrupting their government by wholesale resignations in the face of a crisis, the chances are that Japan will win out, possibly not completely, but materially and the Chinese people will be subjected to another third of a century of servitude to foreign masters. The outside world, partly from humanitarian motives, but chiefly from motives of self interest, is trying to help China. But these efforts will fail if China does not help herself by unifying her domestic establishment and unitedly opposing the foreign invader. We leave it to the reader to place the blame for the loss of Manchuria!

Asks Impeachment of Honan Provincial Government

A proposal calling for the impeachment of the Honan Provincial Government was recently submitted to the Control Yuan at Nanking by Shao Aung-chi, a member of the Yuan. Mr. Shao, it is understood, takes exception to the decision of the Provincial Authorities to create a $3 million "national salvation fund" by imposing a quota from each district in Honan. As such a levy is deemed illegal, the local officials should be called to account by the Yuan, he urges.

Why Doesn't Woodhead Join the Shanghai Times?

(Editorial in Shanghai Times on Stimson's address):

Colonel Stimson's speech has been acclaimed so heartily and in so many quarters that it is with some trepidation we venture to utter a word of criticism. Nevertheless, we cannot wholeheartedly join in the chorus of unreserved approval it has evoked. That approval, of course, is due in the main to the most impeccable sentiments expressed by Colonel Stimson and the very excellent theories put forward. With those sentiments and theories no one can disagree. We yield to no-one in our admiration of them and the hope that the day will soon come when it will be found possible to translate them into practice. Meanwhile, this is a practical and rather hard world in which estimable sentiments and fine theories are not always exactly what is wanted, and the present seems to us one of those occasions. A dash of realism would be to far greater advantage. Moreover, a far too narrowly legal spirit is being brought to bear on the international situation. It is contended by her critics that Japan has committed technical infringements of international agreements, and it is these alleged infringements which blind them to the really essential factors. Their attitude is simply that "Japan didn't ought to have done it" and there they dig their heels in and stick. There are, however, other people, quite reasonable, who find it hard to see what other course of action was open to Japan last September than the one she took. For long enough had she tried by peaceful means to persuade the Chinese in control to mend their ways but they failed to respond. The notorious corruption and inefficiency of the administration in Manchuria grew steadily worse, the disregard of treaty obligations more flagrant. This we know, is old news, but since some people seem to have forgotten it is worth while refreshing their memory. Matters, indeed, had reached such a point that only decisive action — interference — could give Japan redress, and only she herself could take that action with the necessary speed and decision. Had Japan appealed to the League there would have been no guarantee that China would amend her ways without being compelled to do so. Indeed, in its essence, Japan's action was in defence of rights, and to stigmatise her merely as an aggressor is to forget much and display prejudice.

(Comment by H. G. W. Woodhead on Stimson's address):

The weakness of the Kellogg Pact lies in the fact that whereas it provides for a general renunciation of war, it makes no provision for any alternative to the use of force for the redress of wrongs. It is easy enough to say that a settlement of all disputes or conflicts of whatever nature or origin, "shall never be sought except by pacific means." But the effect of this is to give one party latitude to engage in continuous provocation, and deprive the other of any effective remedy.

Does anyone suppose, to take a hypothetical example, that if the Government of Panama decided to return to its allegiance to Colombia, and proceeded as a first step to attempt to recover the Canal Zone, America would remain passive and make no effort to defend her rights and interests in this area? Wholesale renunciation of war, or warlike action, can only really be practicable if an aggrieved state can be certain of securing redress without recourse to force. And if one party remains recalcitrant the only alternative other than the application of sanctions by all the Pact Signatories, must be force, or surrender.

There is a conflict of evidence as to the exact extent of the provocation to which the Japanese were subjected in Manchuria previous to September last, which, it may be hoped, will be cleared up by the Lytton Commission's Report. But if Japan had well-founded grievances, it is improbable that she could have obtained satisfaction by methods other than those employed by the Soviet Government in 1929, and her own Government in 1931. For it must be remembered that the Nanking Government had deliberately committed itself to a policy of Treaty violation; that it only, in fact, became interested in the sanctity of Treaties when it found that it could appeal to the Kellogg Pact and the League Covenant to extricate itself from its international difficulties.

Renunciation of war can only really become a permanent world-wide policy if the causes of war are eliminated. If America, for example, pledges herself to solve all disputes by peaceful means she is entitled to expect that the other party, whoever it may be, will not confront her with a situation in which the alternatives are surrender of valid and vital rights, or armed resistance. But for the Sino-Japanese crisis it was the intention of the Nanking Government by unilateral action, to sweep away the vital safeguards and privileges under which foreigners have lived and traded in this country for nearly a century, January 1st last. It is to be supposed that if the Chinese Government had announced its intention of occupying all foreign Settlements and Concessions on that date, and forcibly taking over jurisdiction over all their inhabitants, the Kellogg Pact would have prevented America and Great Britain from any action other than the filing of written protests? An Arbitration Treaty between China and America exists. Yet its provisions were never invoked when the Nanking Government decided, on May 4th last, to tear up the extraterritorial provisions of valid Sino-American Treaties.

For those readers of *The Review* who are not familiar with Shanghai newspapers, it should be explained that H. G. W. Woodhead the sole remaining British "die-hard" journalist in the Far East is now employed as a sort of columnist on the staff of *The Shanghai Evening Post*, local American paper. For many years prior to his connection with *The Post* Mr. Woodhead edited the *Peiping and Tientsin Times*, British paper in Tientsin, but when that paper decided to "go liberal" and make its policy accord with changed politican tendencies in China and also in England, Mr. Woodhead transferred his activities to Shanghai. At first it was reported that he intended to edit a new "die-hard" paper to be started in Shanghai, but it was about this time that C. V. Starr, local American insurance magnate started the *Evening Post* and brought out to China as editor T. O. Thackrey, previously with the *Scripps-Howard* syndicate. Both Starr and Woodhead's backers were bidding for the purchase of a local run-down afternoon sheet known as *The Mercury*. Mr. Starr got the jump on his competitors and obtained both Woodhead and *The Mercury* The Mercury was amalgamated with *The Post* and Woodhead ended up as the conductor of a column on the editorial page of the combined papers of which Mr. Thackrey is the editor-in-chief. Mr. Woodhead was given freedom to express his views and has been doing so daily for the past two years, said views usually being at variance with those expressed in the

adjoining editorial columns which are controlled by the liberal Mr. Thackrey. Finally, in an apparent effort to neutralize Woodhead's conservatism, *The Post* employed another columnist, a Chinese named Kwei Chung-shu; hence readers of the local American daily were given the opportunity of following the liberal views of Mr. Thackrey presented in the editorial columns, the conservative views of columnist Woodhead or the Chinese views as presented by Mr. Kwei. Also, it should be stated, and we make no charge for the advertising, that Mr. Woodhead in addition to his column-conducting, is the editor of the *China Year Book* an annual compilation of miscellaneous facts about China which sells for the rather high price of twenty dollars silver. Some of Mr. Woodhead's Chinese critics have alleged that Mr. Woodhead does not understand the facts about modern China which he collects for his *Year Book*, but we will not enter into that because we want to get on with the story.

The *Shanghai Times* is a local British daily owned and edited by E. A. Nottingham, who for many years has had a warm spot in his heart for things Japanese. Whenever the Japanese get into one of their periodic jams with the Chinese, the warm spot in Mr. Nottingham's heart fairly glows and he goes the limit in his editorial defence of the little Islanders. How *The Times*, a British paper, supposedly representing British interests became a proponent of the Japanese is not known, but according to report Mr. Nottingham once had a quarrel with British bankers and as a result went to the Yokohama Specie Bank for financial succor, which he received and ever after has had the said warm spot in his heart for the Japanese point of view. At any rate one may always find the Japanese point of view expressed in the editorial columns of *The Times*, which is a matter of some consequence in Shanghai where the Japanese no longer have an English language organ—not since they sank a half million yen in one several years ago and then had it fail on their hands. It was the predecessor of the run-down *Mercury* which the *Evening Post* swallowed as mentioned in the preceing paragraph.

All of the remarks in the preceding paragraphs, were inspired by the views of Messrs. Woodhead and Nottingham regarding Secretary of State Stimson's recent address on the Pact of Paris. A few paragraphs indicative of the thoughts of these two British editors are reproduced at the top of this discussion under our own editorial suggestion that it might add considerably to international peace and comity if such a happy state may be said to exist in Shanghai if Mr. Woodhead would leave *The Evening Post* and join the *Shanghai Times*. This would tend to concentrate British "die-hard" and British "pro-Japanese" opinion all in the same organ and thus save the time of newspaper readers. Also, it would facilitate the work of local Japanese propagandists who carefully clip out Woodhead's articles and Nottingham's editorials and reprint them in pamphlet form for widespread distribution in America and elsewhere as evidence of foreign support of Japanese strong-arm activities in China. It will be noticed by perusing the parallel remarks of Messrs. Woodhead and Nottingham that both with one voice declare that Japan was compelled to take armed action in Manchuria because of China's alleged disregard of treaties. Now we have a report by *United Press* from Williamstown, Mass., stating that Dr. Inazo Nitobe spokesman of Japan, in the course of an address before the Institute of Politics declared that "if the treaties Japan has signed prove a menace to her very existence, she will be justified in cancelling her engagements." Since both Woodhead and Nottingham claim that Japan was forced to move because of China's disregard of treaties and Dr. Nitobe claims that Japan was justified in wholesale treaty violation because the said treaties were a menace to her very existence, we suppose that makes it unanimous, Secretary Stimson and the rest of the world to the contrary notwithstanding!

The Starving Peasants and School Children of Japan

RECENT reports from Japan show that the plight of the agricultural population and of the school children is even worse than previously reported. Writing editorially on the sad conditions existing among the school children, the English edition of the *Osaka Mainichi* August 5, used the heading, "Give Them Bread or Give Them Death." The *Mainichi* expressed the opinion that the Education Office's estimate of 200,000 school children who are not getting proper nutrition is far too conservative, as said newspaper had reports that in the Prefecture of Okinawa alone there were 100,000 half-starved children. A passage in the report on the Hokkaido educational situation issued end of last year said that "school children bringing with them buckwheat rolls or an ear of corn are supposed to be highly fortunate and even extravagant; the majority do not bring anything; no small number of children fail to attend school at all because they are not getting proper food and are too weak to do so." Since then conditions have become worse and when the Imperial Diet opens for its eight-day session on Monday, August 22, the Ministry of Education will ask for an appropriation for two million yen for a luncheon fund for the schools.

The condition of the agricultural population in many parts of the Island Empire is truly pitiful. The cry of "Give us rice," is becoming louder and more insistent daily, and incidents where mobs demonstrate in front of Government Offices with a view to securing relief have became very frequent of late. Recently a group of women rushed to the town office of Oshima on the outskirts of Tokyo and made a demonstration, contending that they and their children were starving. This was followed by a larger and more vociferous demonstration in front of the Department of Agriculture and Forestry, details of which are given by the Tokyo correspondent of the *North China Daily News*. Three thousand persons, including many Koreans and women, created rowdy scenes in the Department's compound clamoring for rice, and demanding an interview with the Minister of Agriculture and Fores-

try. A hurried telephone message summoned a strong squad of police who cleared the Department grounds of the demonstrators. A delegation of seven was then permitted to interview the Minister concerned, but as both he and the Vice-Minister were absent, the desired interview could not be had. When this was reported to the crowd outside, the mob made an attempt to force their way into the premises, but were prevented by the Police after a series of skirmishes. A few high officials then consented to see the delegates who gave a touching account of their sufferings owing to the high cost of rice and asked that Government rice be sold to the poor at a price within the reach of their purses. While the negotiations were in progress inside, the police charged the waiting crowd outside and arrested about a dozen leaders.

The problem of rural distress will loom up largely when the Japanese Diet opens August 22, and the indications are that unless something substantial is done wholesale riots will occur similar to those which broke out in 1918 when, in the closing days of the war, the price of rice rose to unprecedented heights. The 1918 disturbances were not quelled before a large number of civilians were injured and much property was destroyed. In the end the government made large grants of free rice to the districts in want and these were followed up by a public subscription list in which the war millionaires figured conspicuously. A rather similar situation exists to-day. As a matter of fact, the distressed areas to-day are in far greater misery than were the affected districts that led to the 1918 outbreak, and the agricultural leaders are certain to make strong demands for relief when the Diet opens. At the last session of the Diet groups of farmers' representatives came to Tokyo and presented a long petition declaring themselves bankrupt, unable to pay taxes and other debts, and in danger of starvation.

The Japanese Emperor is reported to be concerned at the growing rural distress and to have told his advisers that something must be done. The indications are that the Diet will decrease the subsidies to industry and divert part of the money for farm relief.

The demands being made by the rural population are but a small part of the woes of Mr. Takahashi, Japanese Minister of Finance, who plans to issue Yen 500,000,000 national relief bunds, to be disbursed in three years. But as the *Osaka Mainichi* pertinently inquires in a heading over an article dealing with the country's financial problems, "Relief Plans Drafted but Where Are the Funds?"

Still higher taxes seem to be inevitable, as the country's financial authorities feel that at least the interest payments totalling about Yen 60,000,000 yearly should be provided for out of current revenue.

Among the measures to be introduced at the forthcoming session of the Diet is a bill proposing to facilitate the financial accommodations on the mortgages of real estate, with the National Treasury guarantee of compensation of any losses resulting therefrom. Japan's city banks at present have an outstanding account of their combined loans made on mortgages of real estate to the total of Yen 1,600,000,000. It is to release these tied up loans and to put them back into circulation that the special Government loans are contemplated. In May, this year, the Government started the special financial accommodations of the savings bureau funds. This measure has been taken as a substitute of the foregoing National Treasury compensation plan. The result, however, has proved unsuccessful, due to many inconveniences incidental to the working of the plan.

The small merchant and industrial class are also clamoring for relief. The Osaka Chamber of Commerce and Industry has been taking a prominent part in the negotiations to obtain government relief. In the Government plan to establish a central depository for small merchants and industrialists, the maximum loan amount is fixed at Yen 10,000, but the Osaka Chamber has been demanding extension of the limit to Yen 50,000. The reported indemnification scheme stipulates that all banks should shoulder one-third in case there is any loss through inability to recover. This, the Osaka Chamber fears, will spoil the interest of banks. The Osaka Chamber hopes that the Government will try to minimise the banks' burden, suggesting that the interest difference between the Government loans and loans for merchants and industrialists be reserved to cover part of any loss. The period of the compensation scheme is suggested to be fixed for five years. The Osaka Chamber is also urging the Government to grant a subsidy to insurance companies, new or old, which will undertake fidelity insurance for borrowers. The establishment of a mortgage law for movable property is suggested so as to enable small merchants and industrialists to obtain loans from their banks on the security of raw material, semi-finished and manufactured goods. Measures to enable merchants and industrialists to obtain a reduction in interest rates, and simplify loan procedures in case their high interest loans with adequate security expire, are also suggested. The fishery interests are also asking for government appropriations.

It will thus be seen that the cry for relief cames from all sides in Japan, and it is not a very far-fetched theory that one of the motives actuating the military party in Japan in its Manchurian adventure is to try to bury some of the internal discontent under a wave of patriotism engendered by military victories abroad. Unfortunately, even in this respect, the idea has very much miscarried, as the Manchurian invasion has been beset by many misadventures. The boycott, unofficially but persisently carried on by the Chinese, is also having its effect in contributing to the unrest in Japan as the Japanese trade with China has been seriously cut into, and this is not merely incidental to the general world-wide depression, as other countries, particularly England have considerably increased their trade with China during recent months. An article by H. N. Brailsford in *The New Republic* of July 20, points out that Manchester's shipments of cotton piece goods to China had increased two-fold during the current quarter—practically the only bright spot in England's foreign trade.

As the Tokyo correspondent of the *N. C. D. News* quite correctly points out, the hidden hand of the military party is the crux of the problem

in Japan. As agrarian revolt, if it comes, will undoubtedly have the backing of the military, at least of the reservists and the younger officers, and in such an event the Government will not be able to control it. This means, that the Army will step in, enter politics, perhaps break the constitution, and embark on a foreign war to save the "home front."

As is to be expected, with all this discontent throughout the country, the political parties are on the *qui vive* to try and throw the blame on some other party than their own. A number of members of the Seiyukai, dissatisfied with the actions of Finance Minister Takahashi who is a member of their party, contemplate impeaching him in connection with his stand on farm relief. In the meantime Japanese national politics are more and more lining up on two main issues. On one side will be the extremists, advocating direct action and revolutionary methods; on the other will be the moderates who, though strongly reactionary and national in outlook, are opposed to the ways of revolution and seek to attain their objects by more constitutional means. The former are represented by the Seisanto and other kindred organisations, while the Kokuhonsha may be said to represent the present stronghold of the more moderate elements.

Marshal Chang Hsueh-liang's Resignation Accepted--- Wang Ching-wei Returns to Nanking

THE Chinese political situation lately resolved itself into a game of hide-and-seek, punctuated with "dares." Wang Ching-wei, the president of the Executive Yuan, after hurling his *defi* at Marshal Chang Hsueh-liang, went into hiding, and left to his wife the task of conducting the ensuing interviews with various other members of the Government, all of whom had sent in their resignations but all of whom still held on to their portfolios. Marshal Chang Hsueh-liang, it is to be noted, was one of those who sent in their resignations. In fact the only National Government officials of any consequence who have not resigned are General Chiang Kai-shek and Li Sen, Chairman of the National Government. But in reality all these deluges of resignations have the element of "dare" behind them. Apparently all of those who have resigned would like to hold on to their offices, but the gesture of resigning is the polite way of intimating to "the other fellow" that it is up to him to do the graceful thing and get out.

Marshal Chang Hsueh-liang is the central figure around whom the whole controversy rages, and there are one or two points in this connection that should not be lost sight of. The charge is repeatedly brought against the Marshal that in abandoning Manchuria to the Japanese without even making a pretense of fighting he has shown great cowardice. But the point is not yet quite clear as to whether the Marshal's retirement from Manchuria was in accord with the wishes of the National Government, or against its desires. It is to be remembered that the whole psychology of China's political leaders from the very beginning of the Japanese onslaught on Manchuria in September was one of resignation to the inevitable. It is to be recalled that Dr. C. T. Wang's resignation followed an assault on his person physically by a group of students because he did not come right out and advocate resisting the Japanese by force of arms. There was no sign among any political or military leader in China of resisting the Japanese until General Tsai Ting-kai took matters into his own hands in Chapei on the memorable night of January 28, and commenced a resistance, the tenacity of which surprised the world. The point to be borne in mind is not whether the resistance was successful but that it definitely broke the tradition that China was so helpless before the Japanese that resistance was altogether impraticable. Now to get back to Marshal Chang Hsueh-liang. The Marshal had had experience with another aggressor into his domain several years previously, namely when the Russians entered from the West and began bombarding various towns along the Chinese Eastern Railway. On that occasion he did not receive any assistance whatever from the Central Government—which made no signs of intending to send any help then nor has it made any such gesture since. His Heilungkiang troops, however, put up a strong resistance, losing in the operations upwards of 10,000 men, but all to no avail. It is not surprising, therefore, in view of the fact that when he was faced with a much more serious invasion, (by the Japanese) that he was not willing to sacrifice himself and his army for the sake of a Government which did not give him any help. It is only fair to mention in this connection that one reason why the National Government did not send any help to Marshal Chang on the occasion of the Russian invasion is that General Feng Yu-hsiang selected that particularly moment for making an attack on the Central Government. However, that does not change the fact that Marshal Chang got no help.

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The stand which Wang Ching-wei took against General Chang Hsueh-liang was strongly supported by the Canton and North-western Leaders, the latter represented by Generals Yen Hsi-shan and Feng Yu-hsiang. In a telegram to the Central Executive Committee the Canton branch of the C. E. C. denounced General Chang Hsueh-liang in no uncertain terms for his policy of non-resistance. He was accused of abandoning Manchuria, failing to adopt measures for the defence of Jehol, failing to render assistance to the Volunteers in Manchuria, and yet at the same time extorting funds from the Central Government.

Besides telegraphing to President Wang to withdraw his resignation, General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, advocated that General Chang Hsueh-liang should be permitted to resign and that he be given a title by the National Government and sent

abroad. This view, it was stated in a *Kuo Min* message, was shared by General Feng Yu-hsiang.

It is learnt that General Han Fu-chu, Chairman of the Shantung Provincial Government, had despatched telegrams to both President Wang and General Chang urging them to resume their posts for the welfare of the country. General Han also announced that while he assumes full responsibility for the maintenance of peace and order in Shantung, he owes complete obedience to General Chiang Kai-shek in regard to the North and will act upon any instructions from General Chiang. He expressed the conviction that the North will not be very greatly influenced by General Chang's resignation and that the outbreak of a civil war due to this factor is unlikely.

In endeavoring to prevail upon Wang Ching-wei to withdraw his resignation, General Chiang Kai-shek telegraphed to remind him that the Central Government must not be without a responsible head at the present juncture when the country is beset by internal misfortunes and foreign aggression. He said that although he was not able to press his advice in person owing to urgent duties in connection with the bandit-suppression campaign at Hankow, General Chiang anxiously hoped that Mr. Wang would return to the Capital and resume office to avoid another change in the political situation. Referring to the North-eastern situation, General Chiang asserted that he would assume full responsibility for its liquidation and that not a day had passed without his making plans for the future. As soon as the bandit-suppression campaign is concluded, he said, troops would be transferred to the North-east for a determined resistance. "Whether General Chang Hsueh-liang should resign or remain in office is but a secondary question. But I sincerely wish that you will, in consideration of the importance of national affairs, immediately resume office," General Chiang concluded in his message to Wang Ching-wei.

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A definite step to bring to an end the impasse in the Chinese political situation occurred August 15 when the standing committee of the Central Executive Committee accepted the resignation of Marshal Chang Hsueh-liang as Pacification Commissioner of the Peiping area. The committee also decided to abolish said post and supersede it by a new military commission of 18 members, this body to be known as the Hopei Branch Military Council. The personnel of the new council was also decided upon, the following being appointed to serve on it: Generals Wan Fu-lin; Wang Shu-han, Chang Tso-hsiang, Chang Chun, Han Fu-chu, Yung Tsen, Peng Ping-hsun, Wang Hsu-chang, Sung Cheh-yuan, Yu Hsueh-chung, Shang Chen, Hsu Yung-chang, Sung Hung-lieh, Tang Yu-lin, Chiang Po-cheng, Liu Yi-fei, Pao Wen-yueh and Hsiao Tseng-ying. Of these Messrs. Wan Fu-lin, Yung Tsin and Chiang Po-cheng will constitute the standing committee. General Wan Fu-lin was chairman of Heilungkiang before being ousted by the Japanese and the Chinese troops in North Manchuria still fighting the Japanese are stated to be loyal to him. General Yung Tsen is a personal representative of Marshal Chang Hsueh-liang and General Chiang Po-cheng is personal representative of General Chiang Kai-shek in North China. This action was taken in accordance with proposals mad by General Chiang Kai-shek, who was later uppointed chairman of the new military council for the North China area.

As the action taken at Nanking served to justify the attack which had been launched against Marshal Chang by Wang Ching-wei, head of the Executive Yuan, he signified his intention of returning to Nanking, and he has in the meantime arrived there. He was scheduled to submit a report August 18 to the standing committee of the C. E. C. on the causes of his resignation. It is freely predicted that in the end Mr. Wang will resume his posts both as president of the Executive Yuan and as one of the three members of the Standing Committee of the Central Political Council. Mr. Wang in the meantime had proceeded to Kuling for a conference with Lin Sen, chairman of the National Government, and General Chiang Kai-shek, president of the Military Affairs Commission. Among those who had prevailed on Mr. Wang to return was Wu Chih-hui, veteran Kuomintang leader and elder statesman, who handed an autographed letter to Mr. Wang at the latter's residence in Rue Bouregeat, French Concession, Shanghai, August 14, prevailing upon him to proceed to Nanking and Kuling in order to have a heart-to-heart talk concerning the situation.

It is continually being intimated in the telegrams that Marshal Chang Hsueh-liang should go on a trip abroad, among the suggestions being that he might go to England and enter either Oxford or Cambridge to improve his education.

Secretary Stimson Enlightens Mr. Debuchi on Recent Speech

It is to be inferred from recent telegrams from Washington that Mr. Debuchi, the Japanese Ambassador at Washington, spent a considerable portion of the last few days of his stay in the American Capital previous to departing for Tokyo, to trying to find out from Colonel Stimson what he meant by his recent speech on the Kellogg Peace Pact, but the only satisfaction he got was that Col. Stimson once more emphasized the continued opposition of the United States to Japanese control of Manchuria or any other part of China, acquired through force of arms, also the determination of the United States to co-operate with the League of Nations in every effort it may make to uphold the Peace Pact and the Lytton Report.

H. Wickham Steed, former editor of the *London Times* sent a letter to said journal August 11 in which he comments on Col. Stimson's recent speech regarding the Kellogg Pact and its relation to the Manchurian and Far Eastern crisis. Mr. Steed observes that if the Pact means anything at all, then renunciation of war as an instrument of national policy implies equally renunciation of neutrality, as neutral rights are only conceivable in relation to war as a lawful institution. He further points out that international jurists are of the opinion that the Kellogg Pact has revolutionized the doctrine of neutrality.

In the meantime it appears that the Japanese Government will not make a formal protest to the United States against Col. Stimson's speech—either as a whole, "because it has generally received wide approval," or on the score of the use of the word "aggressor," as, according to a report sent to his government by Mr. Debuchi, the Japanese Ambassador in Washington, he had it explained to him in Washington that the word "aggressor" was preceded by the indefinite article and Japan had not been primarly singled out by that expression. In fact, the text of the speech (which was reprinted in full in last week's issue of *The Review*) did not use the word "aggressor," but "invader."

Chinese Boycott Feeling Against Japanese Grows in Intensity

Although the officially announced attitude of the National Government is to frown upon any movement to boycott Japanese goods, the agitation by a large section of the Chinese public to intensify the boycott instead of lessening it has gained momentum during the past several weeks. Various groups to boycott Japanese goods are active, prominent among them being one known as the "Blood and Soul" group, whose activities have spread to Hankow. Although radical groups have so far been responsible for most of the agitation, the Chinese Chamber of Commerce has fallen into line with the popular cry, and in a circular telegram to public bodies throughout the nation, issued end of last week urged that a nation-wide public opinion be brought to bear upon those dealing in Japanese goods. According to reports received at the chamber, the telegram began, traitorous merchants had become more and more artful in their methods. The piece goods merchants were charged with deceiving the people first by counterfeiting trade marks on the Japanese goods with Chinese and then by inventing fictitious Chinese firms as being the manufacturers of the products. All this was said to be done for the purpose of hoodwinking merchants in the interior. The telegram concluded by exhorting the people to be strict in enforcing a strong social sanction upon the merchants. "Nobody should forgive a person dealing in Japanese goods, even though he is his relative or friend. Those found unpatriotic in this respect should be subject to public denouncement and disgrace. This may not look as very effective, but it will prove its value in depriving the good name and reputation of all traitors in the long run. This is certainly the only possible way by which we can wage a pacific struggle in saving our country."

Several resolutions were passed by the National Salvation Association at a meeting held last week at the Chinese Young Men's Lecturing Group Society Building, Nantao. The first one provided that a special committee be formed to investigate Japanese goods. The second decision concerned the organization of a picketing group to investigate the smuggling of Japanese products.

The Coal Merchants' Association was told by the chamber that the latter had received letters telling of violations of the boycott among certain coal dealers.

The Chinese agitation against the Japanese had its repercussion in another direction August 13 incidental to a party of Chinese workers at a Japanese cotton mill in Yangtszepoo making demands for pay upon the foreman. The latter, scenting trouble, sent a hurried message to the Japanese Marine Headquarters for assistance, whereupon a party of marines proceeded to the spot. One report says the Marines found everything quiet on arrival. However, the incident was made the subject of a protest by the Federation of Various Public National Salvation Bodies, on the ground that the Japanese marines had entered Chinese-controlled territory.

Japanese Councillor Says Drastic Steps Will Be Taken

The anti-Japanese agitation in Shanghai has of late developed serious proportions. An incident which shows the temper of the Chinese public in this connection occurred at the First District Court in the International Settlement August 15, when a 16 year old Chinese named Yung Wei-fang, who had thrown a bomb into a Chinese cloth shop in the French Concession on the ground that it was handling Japanese goods, was charged. Yung threw the bomb on August 6 on the French side of the road which divides the French Concession from the Chinese city. He then ran to the Chinese side, where he was nabbed by Chinese police. Mayor Wu ordered the youth transferred to the French police and, as a result, the local Chinese bar now asks that Mayor Wu be impeached for not first having Yung formally charged in the courts in the Chinese city. However, as the youth was a resident of the International (Foreign) Settlement he was duly charged at the First District Court as above stated. A huge crowd assembled at the court grounds when the trial of Yung was started. Yung has in the meantime been hailed as a "hero" by the younger Chinese patriotic societies, and their presence at the court was evidently meant as an intimation to the judges that they should not be too "hard" on Yung. In the end the court released Yung on bail. Large bodies of Foreign Municipality police were lined up at the court gounds to prevent any rowdiness when the accused was released. In the meantime, also, a largely attended mass meeting of the Chinese patriotic societies has asked that the certificate to practice of Paul Ru, assistant Municipal Advocate, be cancelled because he had opposed the application of Yung's counsel for release on bail. The increasing anti-Japanese agitation formed the basis of an interview given by an unnamed Japanese member of the Shanghai Municipal in the *China Press*, August 16. The Japanese member of the Council is quoted as saying that the Japanese regard the Chinese boycott as an act of "war", "and if the Chinese 'patriots' resume their refined instances of robbery, dignified with the title of seized Japanese goods, and such acts are repeated, you may rest assured that drastic steps will be taken to halt them."

A Japanese Puppet in Chapei Is Arrested

Wu Lih-fu, the ex-chairman of the Temporary Association for Preserving Order in Chapei, was arrested in Shing Ai Restaurant, along North Szechuen Road, by detectives of the Shanghai Public Safety Bureau August 15. After the Chinese troops withdrew to the second line of defence, the Japanese occupied the Chapei Area in March and Wu Lih-fu and several other Chinese established a "Puppet" Government in Chapei at the beginning of April which was known as the "Temporary Association for Preserving Order in Chapei." The Chinese Government ordered the Public Safety Bureau to arrest these men, but they had been in hiding in the interim. The Chinese patriotic bodies are asking that Wu should be executed.

Chamber Chairman Denies Backing of "Bloody" Group

Wang Shiao-lai, chairman of the Chinese Chamber of Commerce, who was alleged by the *Shanghai Mainchi*, a local Japanese newspaper, to be directing the activities of the Bloody Group for the Extermination of Traitors in Shanghai, has branded the Japanese report as absolutely groundless, according to the *Sin Wan Pao* and other Chinese newspapers.

Japanese Cotton Yarn with Chinese Labels

An echo of the boycott movement was heard in the First Special District Court August 13, when a representative of the Nantao Public Safety Bureau made a successful application for the extradition of a Chinese merchant charged with selling Japanese goods under a false Chinese trade mark. The representative told the Court that members of the Public Safety Bureau had seized at the North Railway Station 24 parcels of cotton yarn. The goods were of Japanese origin, but on the surface of the parcels were pasted labels of the Ching Foong Cotton Mill, a Chinese factory. Questioned by the Court, the accused, named Tsai Sze-seng, admitted being the owner of the seized goods, but denied the charge of forgery.

Lytton Commission Busy Preparing Report for Geneva

Various meeting of the Lytton Commission of Inquiry were held during the week at the German hospital in Peiping, where Lord Lytton, the chairman, is still a patient. With reference to the Tokyo Foreign Office's forecast of the report of the Commission, it is pointed out in Commission circles that according to the terms of reference under which the commission was appointed the question of direct negotiations was entirely a matter between China and Japan. The printing of the Commission's report in the two official languages, English and French, represents a big task and it is now expected that the report will be available "sometime during the meeting of the Assembly." Meanwhile, officials of the Commission state that it is impossible to fix either the date of the departure of the Commission or its route to Europe.

American Fleet to Stay in Pacific for the Present

The U. S. Navy Department has extended the Atlantic Fleet's stay in Pacific waters until after the fleet manoeuvres scheduled for February next, according to a recent dispatch from Washington. Previously the fleet had been scheduled to return to the Atlantic in October, returning to the Pacific area early next year.

American Navy officials in Washington explained that the move was an economy measure designed to save the cost of a round trip before February.

China Continues to Negotiate for Abolition of Extraterritorality

The China Service News agency recently reported from Nanking that the regulations governing the procedure for revocation of extraterritoiality, drafted by the Ministry of Judicial Administration, have been handed over to the Ministry of Foreign Affairs to be sent to the Powers concerned, for an exchange of views, so that a parley may be opened at an early date,

Japan's Trade with China

The following figures issued by the British Chamber of Commerce Journal, show Japan's trade with China during the four months ended April 30, 1931 and 1932.

	Exports		*Imports*		*Total Imports & Exports*	
	Jan.-April 1932 *Yen*	*Jan.-April* 1931 *Yen*	*Jan.-April* 1932 *Yen*	*Jan.-April* 1931 *Yen*	*Jan.-April* 1932 *Yen*	*Jan.-April* 1931 *Yen*
Manchuria	3,858,000	4,212,000	15,439,000	15,064,000	19,297,000	19,276,000
Northern Ports	24,275,000	17,085,000	13,422,000	19,837,000	37,697,000	36,922,000
Central Ports	8,611,000	35,096,000	6,782,000	19,182,000	15,393,000	54,278,000
Southern Ports	76,000	1,435,000	1,703,000	3,138,000	1,779,000	4,573,000
Kwangtung Province	32,997,000	21,085,000	43,074,000	37,292,000	76,071,000	58,377,000
Hongkong	4,175,000	13,656,000	210,000	142,000	4,385,000	13,798,000
Total	73,992,000	92,569,000	80,630,000	94,655,000	154,622,000	187,224,000

By Months	*April* 1932	*April* 1931	*Jan.-April* 1932	*Jan.-April* 1931	*April* 1932	*April* 1931	*Jan.-April* 1932	*Jan.-April* 1931
January	11,520,000	22,354,000	11,520,000	22,354,000	21,839,000	20,413,000	21,839,000	20,413,000
February	14,144,000	20,392,000	25,664,000	42,746,000	20,404,000	21,622,000	42,243,000	42,035,000
March	23,760,000	25,844,000	49,425,000	68,591,000	20,414,000	27,220,000	62,656,000	69,254,000
April	24,568,000	23,979,000	73,992,000	92,569,000	17,973,000	25,400,000	80,630,000	94,650,000
	73,992,000	92,569,000			80,630,000	94,655,000		

Japanese Planes Drop Bombs Near Shanhaikwan

The outstanding feature of the military situation in Manchuria during the week was that the Japanese airplanes dropped bombs on Suichung, about 30 miles from Shanhaikwan, August 15. The Japanese in the Shanhaikwan area have become increasingly provocative. Every now and then scores of Japanese marines, followed by Chinese policemen holding banners of Manchukuo are to be seen parading the streets of Shanhaikwan, and various incidents have occurred in which open clashes between the Japanese and the Chinese garrison force at Shanhaikwan were narrowly averted.

Despatches reaching Tientsin early in the week stated that the train service on the Mukden-Liaoyang section of the South Manchuria Railway had been suspended again as the result of heavy fighting between the Japanese army and Chinese volunteers in more than five sectors along the line. The Chinese volunteers are stated to have become desperate in their campaign against the Japanese because of a report that the whole family of Mr. Wang, the Chinese who threw a bomb into the power house of the Japanese South Manchuria Railway, were killed by Japanese military in Chienchinchai, a Japanese settlement situated about 20 miles east of Mukden.

The capture of Shihkung, 30 miles from Fushun, was effected on the night of August 15, by a force of Chinese volunteers after a battle with the Japanese that lasted five hours, according to a dispatch received in Peiping. The victorious Chinese units pursued the defeated Japanese troops who retreated along the Hailun-Mukden line, the message stated. At Shihmanchiao station, the report added, the retreating Japanese were strengthened by reinforcements from Fushun. Renewed fighting ensued. Traffic on the Fushun-Tsinyuan line was disrupted.

The Navy Ministry announced at Tokyo August 16 that the 26th flotilla of destroyers had been rushed to Yingkow and landed bluejackets there in view of "bandits" around Yingkow again resuming their activities.

Reports concerning forcible interference with the postal functions of the Chinese Post Office at Shanhaikwan by Japanese troops and Manchukuo police have been received at Peiping. Despite the fact that a postal blockade is being carried on against Manchukuo, Japanese gendarmes have demanded that Manchurian mails be accepted by the postmaster at Shanhaikwan.

Several hundred "bandits" attacked the city of Liaoyang at 3 a.m. August 16. The attackers cut telephone lines of the South Manchuria Railway and attempted to derail trains. During the morning's firing they apparently directed their aim at the Manchurian Spinning Mill. The Japanese Garrison returned the fire and successfully repulsed the attackers.

The Japanese in Southern Liaoning have commenced building fortifications and strong defence works at Suichung, Hsingcheng, Chienso and Chienwei stations, on the so-called Mukden-Shanhaikwan Railway, according to a recent Peiping message.

Eighteen bombs were dropped by Japanese airplanes on the Yungan district on the Liaoning-Hopei Border August 14. More than 10 buildings were destroyed. At Chinchow, Japanese airplanes have been active at night, dropping bombs in the vicinity. Three Japanese airplanes scouted over and raided Jehol territory adjacent to Chinsi and Suichung, August 15.

"Reds" Still Active in Kiangsi Province

A recent message from Nanchang stated that the notorious Chu Te is leading 60,000 Reds from the Taiho region, south of Ki-an, towards Nanchang, provincial capital of Kiangsi. The 18th Army under General Chen Cheng has therefore been transferred back to Ki-an from Kanchow to check their advance. The 90th Division (the "Ironsides") under General Wu Chi-wei has received orders to be stationed at Wantsai and effect junction with General Chen's units. Kanchow is being garrisoned by the 2nd Kwangtung Division under General Yeh Chao.

2,600 bandits under Chi Chen-tung (formerly the rebel units of the 26th Route Army under General Sun Lien-chung) have surrendered to the Kwangtung forces at Tayu, in the extreme south of Kiangsi.

The bandits under Kung Ho-chung who have fled to eastern Hupeh from northern Kiangsi, are entrenching themselves at Mufowshan and Kiukungshan. After clearing the remnant outlaws at Wuning and Hsiushui, northern Kiangsi, the 50th Division under General Yo Sen attached to the 4th Army under General Tan Tao-yuan is heading for Lungkang to establish contact with the Hupeh units for a combined movement against these bandits.

Militarists Are Ordered Once More to Return Railway Stock

Release within ten days of all railway rolling-stock at present detained by the various military units was ordered by the Ministry of War in a circular order issued at Nanking July 14. As such detention on the part of the military constitutes an obstacle to efficient railway administration, the Ministry has repeatedly ordered the return of the rolling-stock. Regulations forbidding military interference with the railways have now been promulgated by the Ministry which it is hoped will effectually prevent any further detention.

Lieut Soule Reports Henry Ekvall Murdered

Reports from Lieut. Robert H. Soule, the American assistant military attache who on August 6 proceeded to Sianfu, Shensi, in connection with the disappearance on June 4 of Henry Ekvall, an employee of the China Inland Motors, a Hankow American firm, confirm previous fears that he and his party were murdered. A Peiping telegram states that the U. S. Legation is making further strong representations to Nanking and the provincial authorities.

Renewed Volunteer Attacks Create Terrorism Throughout Manchuria

(*From the Review's Correspondent*)

Changchun, August 16, 1932.

THE impression that this country is on a fair way to the restoration of peace under the new Manchukuo regime, instilled into our minds by months of careful propaganda, is being invalidated by the renewed activities of Manchurian volunteers, who are boldly attacking at the time of writing various points of the main line of the S. M. R. The adherents of the new regime, who are sometimes being referred to as "new nobles," had on the turn of this month a few unpleasant nights at Changchun, then surrounded by a body of insurgents, threatening to storm the capital. The attack was really delivered, but on the Nanling barracks, outside the city, in the early hours of August 1, the roar of guns striking terror into the hearts of the nobles, then reposing from the day's labors. Not a few of them left hurriedly their beds, rolled up their belongings and hurried for the Japanese Railway Town, many of them staying there even now.

The Japanese reports, so far the only available ones, have it that now around the capital are converged several thousand rebels, led by Wang Te-ling, until recently very active in the region of Tunghua, to the east of Changchun, and the terminus of the Kirin-Tunghua railway. That the intrepid rebel was bold enough to come right up to Changchun and threaten the very heart of the new regime is a new contingency, never thought of as possible, since it had been impressed upon us that he was about to be exterminated. To all appearance, the attack was well planned—it was first delivered upon the Nanling barracks, held by the Japanese, to divert their attention, whereas another party of insurgents stormed the aerodrome, on the outskirts of the city, but were repulsed. The aerial scouting, carried out on next day, could not reveal much, since the rebels appeared to have been hiding in kaoliang now in full growth. Another group of rebels is operating near Taolaichao, a station on the C. E. R. Southern Line, to the west of Changchun, and is, by all appearance, in close touch with Wang Te-ling's gang, now around this city.

Renewed Attacks on S. M. R. Line

Simultaneously with the raid on Changchun the rebels renewed their attacks on the S. M. R., the zone of fighting extending from Liaoyang in the north to Yingkow (Newchwang) in the south. As a result of continuous raids on Tashihchiao, Haicheng, Liaoyang and other points, the train service of the S. M. R. was once interrupted altogether, all the trains having been tied up at the named places. On the night of August 2 the section of the railway from Anshan to Tashihchiao was steeped into utter darkness by tearing down the power current, supplied from Anshan. For a few hours all the facilities of communication were blocked up completely.

The attack upon Liaoyang was delivered by the insurgents under Wang Chuan-yi. On the night of August 1 they closed in upon the city, drove away the Japanese and Manchukuo defenders from the outskirts and made a pass into the Railway Town, a gang of them entrenching themselves for a time in the park. The barracks, the station and other prominent buildings were made the targets of bombardment of trench mortars. "The cannonading has left a lurid aspect to the district" ends the Japanese description of the battle.

Haicheng, an important city to the south of Tangkandzu Hot Springs, and a seat of the field artillery regiment in peace time, was a centre of hot battle between insurgents on one side and the Japanese and Manchukuo forces on the other. The first attack was delivered on the night of August 2 in utter darkness. It appears that the Japanese forces were not strong enough to check the rush of volunteers into city, which explains why the rebels converged to the barracks and opened what we might call a siege of them. The Japanese operations, the report goes on, were greatly impeded by the presence of about 500-600 women and children, that had found refuge in the barracks, together with soldiers. August 2 and the following night seem to have been spent in continuous fighting in the streets of the Railway Town, where many houses are reported to have been reduced to ashes by subsequent fires. The operations continued up to the morning of August 3 when the rebels exhausted their vigor and fled into the kaoliang fields.

Yingkow Surrounded, Report

A far graver situation had arisen in the meantime in the Yingkow direction. Simultaneously with the raids on Haicheng, Tashihchiao and other points of the S.M.R., the insurgents, some hundred strong, delivered a furious attack upon the Japanese section of Yingkow. First fell into their hands the Niuchiatun coal yard, where two steamers, the *Kojo Maru* and the *Ryoka Maru*, were then tied up. To escape a hot fire from the rebels the boats cut off their lines and drifted away to a safer place. A Russian woman, the wife of a watchman, is said to have been wounded in the affray. Early in the morning of August 2 the Japanese residents of the town were called out of their beds and gathered on the premises of the Dairen Kisen Kaisha, the Yokohama Specie Bank and other buildings as a precaution against possible raid upon the city.

Though the Japanese troops were greatly reinforced during August 2 the rebels resumed their attack in the early hours of August 3 and engaged the marines and land troops in a hot battle that lasted several hours. However, the insurgents were beaten back, and are reported to be concentrating in the nearby villages. As a result of a menacing situation in and about Yingkow, the Japanese have sent down several gunboats to reinforce the land forces.

All these raids have shown the fallacy of the previous Japanese reports that the regions of the S. M. R. are now free from the insurgents and that peace and tranquility are being gradually restored. Hitherto the Japanese activities were centred in North Manchuria, mainly in the region of the Hilan-Hailung Railway, where they have been hunting after General Ma Chan-shan. The latest report has it that the general was, at last, run down in a swampy valley somewhere to the east of the railway and killed in an engagement. So says at least the Japanese report.

All this gives an impression that the country is far from being thoroughly conquered. The assaults on the S.M.R. and at such points as Haicheng, Tashihchiao, etc., prove beyond cavil that the Chinese volunteers, struggling against the Japanese invaders and their allies—the Manchukuo forces—, have become somewhat reorganized and directed by a certain master mind, and have become so bold as to essay offences as though they are about to snatch the initiative in their hands. The present disturbances show also that the peace and tranquility prevail only along the railways and in major populated centres, the interior of the country, especially outlying districts, being controlled by the "insurgents," or by forces loyal to the Nanking administration. It, therefore, becomes clear that the present Japanese forces, now staying in Manchuria and estimated to be about 70,000-80,000 men, are insufficient for the complete subjugation of volunteers.

Anxiety for the New Banknotes

On top of the general confused situation comes the anxiety for the future of the new paper currency, recently introduced by the Manchukuo regime. Ostensibly the new currency is to be a convertible one against silver bullion, but this is far from the truth, namely, the margin between the paper and silver has every tendency to rise. It is feared that unless the Central Bank begins the conversion service in earnest, the disparity between the paper and silver money will grow greater and greater.

Now, as a matter of fact, no redemption of old, unconvertible, notes is being carried on, which gives an impression that the new banknotes represent one more currency added to the multitude of the currencies now in circulation.

The uneasiness about the money market is intensified also by the fact that Manchuria has of late become flooded with conterfeited banknotes of all the local principal banks. The Japanese allege that these banknotes, chiefly, of the Bank of the Three Eastern Provinces, the Frontier Bank, and the Heilungkiang Provincial Bank, are being turned out by orders of Marshal Chang Hsueh-liang at Peiping, where it is further alleged are being kept the original plates to print with. We are far from subscribing to this allegation, but the fuss around it, created by the Japanese controlled press, raises anxiety for the future of the Manchurian currencies as a whole.

At any rate we know of two alleged frustrated attempts on the part of the authorities of the Peiping-Tientsin district to flood Manchukuo with worthless banknotes, as reported by the Japanese controlled press here. The first attempt was made on January 22 when in the cargo unloaded from the *Tencho Maru*, just from Tientsin, were discovered 60 wooden cases, all containing new notes of the Heilungkiang Provincial Bank. The consignee of the cargo was duly apprehended, and is reported to have confessed being a party to the counterfeit plot. Another attempt was repeated by the *Chohei Maru*, also from Tientsin, which on April 10 landed 80 cases at Dairen. The examination of cases disclosed that they contained 40,000,000 dollars in notes of the same bank. The latter cargo passed through the hands of Messrs. Bryner & Co., freight agents. The attempts of the authorities to apprehend the consignee are so far without any success. A conclusion to be drawn out of these two instances is that, granting many ways for carrying into Manchuria of good or bad banknotes, the apprehension of the populace becomes quite justified. To avoid the nuisance the authorities will have to issue quite new banknotes, different in design from the ones now in circulation. It is said that these banknotes, all having the image of Pu I on the face, are being turned out by the Japanese Bureau of Printing and Engraving, Tokyo, by orders of the Changchun authorities. How they will be accepted by the populace, however, remains to be seen.

Japanese Ambassador to Changchun

"The half century efforts of Japanese diplomacy vis-a-vis Manchuria are being consummated" were the words of Mr. Y. Matsuoka, one of future Japanese delegates to the coming session of the League of Nations' Assembly, when he was approached by the press interviewers on the subject of the impending dispatch of an ambassador to Changchun. The Government, taking the opportunity of periodical shiftings round in the Imperial Army, has appointed General N. Muto, the member of the Grand War Council, to be Plenipotentiary Extraordinary to Manchukuo, additionally holding the office of Commander-in-Chief of Kwantung Army. It should be remembered in this connection that this general was last year, although partially, responsible for the coup of September 18, he then being one of the "Big Three" of the Japanese Army. These "Big Three" comprise the War Minister, Chief of General Staff and Chief of Military Education, General N. Muto then holding the latter office. The Grand War Council and the "Big Three" comprise what we generally know as the Japanese military clique, or *imperium in imperio* of Japan. No government has ever dared to defy its conclusions.

The appointment of a special ambassador to Manchukuo is regarded as *de facto* recognition of the Manchukuo regime and is a surpise to none, since Manchukuo is primarily a child of the Japanese creation. The fact that no other man than a general in active service can be ambassador to Manchukuo places Manchuria under the virtual military dictarorship for years to come, for which purpose the Special Ambassador is placed over the entire Japanese administrative machine in Manchuria, namely, he combines the activities of the Army, Foreign Office, Colonial Office and S. M. R., each of which has so far yielded its authority in Manchuria through its own institutions. Thus the general, commanding the Kwantung Army, becomes hereafter Manchurian dictator both in name and effect. In the light of these developments the Manchukuo Government loses its significance, becoming over-shadowed by the towering machine of the Japanese influence, headed by the ambassador at Changchun.

Trial of Noulens Couple Makes Little Progress

The trial of the Noulens couple, alleged Communists, which started at Nanking August 10, has resolved itself into a test of endurance. The defendants generally adopt the policy of refusing to answer questions, or at least making denials. They regularly renew their request to have the case transferred to Shanghai.

The defendants in declining to answer questions take their stand upon that portion of the criminal law which provides that an accused cannot be compelled to testify against himself.

Judge Li Mien, who is trying the case, said that Wu Han-chang, who was arrested at Hankow, had made a statement accusing Noulens of being the Communist Party leader in China and charging that he, under the name of Van de Cruysen, had been connected with the "Red" leader Hsiang Chung-fah in subsidizing the Chinese Labor Party with funds provided by the Third Internationale. The Judge made the specific charge that Noulens had made such a payment amounting to M. $60,000. Accused made no reply.

Noulens and his wife were shown a photograph taken in 1929 at the time of the fifth convention of the Communist Party of South Africa. The defendants laughed heartily when Judge Li Mien produced the picture; they requested that an expert be employed to enlarge the photo.

A member of the Shanghai Foreign Settlement Police, who arrested the accused, was among those who gave evidence. He admitted that the keys found on the accused did not fit the document boxes which had been seized and which were produced in court.

No Ban in South Manchurian Zone by Chinese P. O.

With regard to the current report that the blockade of the postal services along the South Manchuria Railway zone has been lifted, Lin Shih, Director of the Postal Department of the Ministry of Communications, in a recent statement attributed such report to a misunderstanding. Mr. Lin pointed out that, in view of the Sino-Japanese Postal Agreement of 1922, the suspension of the postal services in the North-east does not include the South Manchuria Railway zone; therefore, there is no such thing as a blockade or cancellation of a service that has not been suspended. Mr. Lin also said that the report published by the foreign press to the effect that the Soviet Government has recognized the postage stamps of the puppet Manchukuo Government was fabricated by the Japanese and has since been officially denied by the Soviet authorities.

Gambling House Employees Imprisoned by Chinese Court

Twenty-one persons including one Russian charged with operating a gambling establishment at 809 Rue Ratard, Frenchtown, were found guilty in the Second District Court, August 12.

Woo Sing-kwan, who was charged with assisting owners of the gambling house, was sentenced to five months' imprisonment and ordered to pay $500 fine. Three others were sentenced to three months' in jail and $300 fine each. Four were given two months in jail, and $200 fine each. Thirteen others including one Russian watchman, Serge Bachikoff, were given one month's suspended sentence and $50 fine each with the alternative of receiving imprisonment at $ 3 per day in case payment of their fines is not made. Five others were acquitted.

China Develops Idea of Giving Military Training to Students

In order to pave the way for the enforcement of Conscription, the Inspectorate-General of Military Training at Nanking has formulated measures regarding military training for students. The Ministry of Education will put these measures into effect in the various colleges and Universities during the next academic year which begins in September. Elementary knowledge on military questions will form part of the entrance examinations. The Ministry of Education is also requested by the Inspectorate-General of Military Training to issue orders to those high schools, colleges and universities which failed to institute military training during the summer vacation to make up for such training three weeks before the opening of the next semester.

Why Not Form a U. S.---U. S. S. R.---China Triple Entente?

BY C. Y. W. MENG 孟憲彝

IT MAY seem rather ridiculous and unthinkable for any one to talk about the possibility and advisability of forming a U. S.—U. S. S. R.—China Triple Entente. Russia has long looked upon the "Almighty Dollar" as the symbol of a capitalist country, which the communists consider as an enemy. The United States, largely being afraid of the spread of communism, is the only big power in the world which has not as yet accorded formal recognition to Russia. China, a close neighbor to Russia, severed her diplomatic relations only a few years ago. Therefore, at first sight it would appear as if the formation of a Triple Entente is altogether an impossibility.

However, the international political situation always changes very suddenly, tremendously and unexpectedly. What may have been highly impossible in bygone days may be a necessity nowadays.

The occupation of the Chinese Eastern Provinces (Manchuria) by the Japanese forces has suddenly created a situation which calls for an immediate solution in one way or the other. The so-called Manchurian problem is really not only a Sino-Japanese problem but it is also a world problem. The crisis which China is facing today is really not only facing China, but it is also facing the world. The Japanese military activities in Manchuria constitute not only a great menace to the security of China but they also constitute a great menace to all, particularly to the security of the countries bordering the Pacific. This is as simple as to say two plus two is equal to four.

So, despite the fact that the recent hostilities in Manchuria only involve the Chinese and Japanese forces, the Russian government has taken up the military preparations with full speed for any eventuality. Elias Tobenkin, in an article dealing with "The Soviets Prepare for War" which appeared in the June issue of *Current* History, pointed out quite clearly that the Soviet people are undergoing rigid military training. He said in part:

> "Office, factory and bank employees hold regular drills in wearing and adjusting war masks. School curricula have been modified to train pupils simultaneously for war and peace.
>
> "In the Soviet Union every citizen is familiar with some branch of military science and war tactics; 60,000,000 children under 17 years of age receive military training in connection with their school work; 60,000 military circles are conducted by the Osoavichim, the Soviet Union's national security society for the training of workers, clerks and office holders. The Osoaviachim has 12,000,000 members. Every factory, every agricultural collective has its military club. The universities are schools of army tactics. Sport has been militarized."

Washington-London Rapprochement Failed

During the Japanese military activities in Manchuria, the American Government did try to interfere, largely for the purpose of maintaining her prestige as a champion and the author of the Open Door Policy in China and the Nine-Power Treaty and Anti-War Pact. In the early part of January, 1932, the American Government delivered a note to Tokyo, rather strong in tone, calling the attention of the Tokyo Government to the fact that the American Government would not recognize any situation created by the military forces in violation of the Anti-War Pact and the Nine-Power Treaty. Before this note was actually presented to Tokyo, Washington, however, consulted and sought the approval of London and advised the later to present an "identical note" to Tokyo, which would have been far more effective. But unfortunately, London, for one reason or the other, informed Washington that London agreed with Washington in principle but not quite in the measures to be adopted to deal with the situation, adding that if the American measures were to be adopted it would leave no other alternative than an Anglo-American war on the Island Empire. So the advice from London was that the American Government might well go on with more "dignified" action with Japan while London would take such a step as to "advise" Tokyo not to be "such bad boys." On the part of Japan, these cunning Islanders do their best to hold the British off from taking any cooperative and common action with the American Government. That explains why the British Government did not present an indentical note to Tokyo. That is to say, America's first attempt to approach the British Government for cooperation and common action to solve the Manchurian situation ended in failure.

Both Washington and Nanking Turning to Moscow!

The situation which placed Washington in a great predicament, due to London's sitting on the fence by trying to be "friendly to both" (China and Japan), has at last caused Washington to break its long silence and to begin to talk about the "restoration of her diplomatic relations with the Soviets." This is the first time the American Government has contemplated such action since the Russian Revolution. No doubt, it is just because of the necessities of the situation that both the Amighty Dollar country and the Soviets have ceased to talk about their anti-communist or anti-capitalist movements, but to come to an understanding for mutual benefit. Since then, the restoration of diplomatic relations with the Soviet has been a much-discussed subject in the U.S. Congress. Many leaders in the Government, including Secretary Stimson, are said to have favored this gesture.

On the part of China, she also began to talk about the restoration of diplomatic relations with the Soviets, and Moscow has been approached on this subject several times. According to report, Moscow is said to have demanded unconditional restoration of the diplomatic relations as a prelude, and then the negotiations on all outstanding problems could follow. The Chinese demand just the opposite, China pointing out that it is necessary first to come to an agreement on the general principles for the settlement of various problems. It is also reported that Nanking is approaching Moscow for a "Non-Aggression Pact." But apparently, the negotiation is now proceeding, with no definite result concluded. But what is necessary is that China should send more competent diplomats to Moscow to negotiate with the Soviets.

Some New Developments

The recent developments in Manchuria and the situation following the Lausanne Conference have both tended to warn Washington, Moscow and Nanking of the danger of being "isolated." So important an issue as the reduction of the German indemmity was decided upon without the participation and approval of the United States! So China Henry T. Rainey from Illinois, Democratic floor leader in the House of Representatives, hit the nail on the head, when he said *inter alia* that:—

"America needs at least one friend," and Mr. Rainey expressed the belief that the Lausanne Conference, the British Imperial Conference in Ottawa, and the trend of events in Asia afford an indication that most of the world is combining against the United States for various reasons. Mr. Rainey visited Russia last summer and found the U.S.S.R. eager to trade with the United States, he said, "despite our unfriendly attitude toward her." Mr. Rainey favors diplomatic recognition of the Government of the U.S.S.R. by the United States.

Coming to the Disarmament Conference, it is aptly characterised as only a "private conference" between Great Britain and France. The famous Hoover Disarmament proposal was ultimately turned down simply because France is expecting war with Germany, and Japan is expecting war with the United States. Is it not traitorous to the nation if other nations are increasing their navies and other military constructions while the United States is decreasing theirs?

Japanese Attempt to Isolate U.S. and U.S.S.R.

Japan is now contemplating to send a strong delegation consisting of old-hand diplomats and professional propagandists to the coming assembly of the League of Nations in September, apparently for no other purpose than to solicit help from, and cementing the friendship with, London and Paris, with a view to holding the former off from taking any common action with Washington, and the latter ready to keep Moscow unwilling to fight against Japan. The renewal of the "Anglo-Japanese Alliance" is again a much discussed subject in Tokyo nowadays! Are Washington, Moscow and Nanking fully aware of the fact that the world is not civilized enough to talk about disarmament and that secret diplomacy is again the order of the day?

As the Japanese militarists would "never give up Manchuria," they must employ a new diplomacy to attain their aim. Their present policy is first to "isolate" the United States and the Soviets from joining hands with any big Power interested in Far Eastern affairs; and to disenable them (the U.S. and the U.S.S.R.) from playing any part in the game in the Far East; and then to enable

the Japanese to deal with the Chinese "alone." In that case, Japan would have an easy time and would have a fair chance to succeed. Japan would never quit the League of Nations, so long as Japan could induce Great Britain and France to come to the side of Japan, and the League could not do any harm to Japan. Japan would join to sing the chorus of "upholding of the sanctity of the League's Covenant and the Anti-War Pact, etc," but would go on to annex the whole of Manchuria! When Japan succeeds in her policy of "isolating" these two big powers bordering on the Pacific from taking any part in Far Eastern affairs, Japan could march troops straight ahead into Manchuria and annex it, first by establishing a puppet government under Japanese control and management (already done); and second, by entering into treaty relations with the newly created state (already done); and thirdly, by declaring Japan's protectorate over the new state; and last the actual annexation. By that time, there would be no possibility for the United States to talk anything about the sanctity of the Nine-Power Treaty or the Anti-War Pact; nor for the Soviets to have any claims over the Chinese Eastern Railway, nor any hand in Manchuria. Viscount Ishii, the author of the Lansing-Ishii Agreement, aready made it clear that "interference in Asiatic affairs by the American Government would be the cause of war with Japan," meaning by this is that Japan would not allow America to interfere anymore!

Why Not Act Now?

As to China, the Chinese should realize that as the present situation indicates, a Sino-Japanese war is more imminent than ever before (unless the Chinese government should give up Manchuria to Japan). With the rapid development of the Anti-Japanese boycott movement, such as the formation of "Blood Group for the Termination of Traitorous Merchants" in various parts of the country, which resulted in the severe decline of Japan's trade with China, for which the Japanese are bound to take some counter measures, together with the new development in Jehol, the situation is made far more critical since the Japanese invasion of Manchuria. It is just because of this dangerous situation that Dr. Wellington Koo, the Chinese assesor to the Inquiry Commission of the League of Nations, wrote several autograph letters to notorious communist and bandit leaders, informing them of the danger that the country is now in and advising them not to make any more trouble for the central government, but to come over to the side of the government to present a united front against the foreign aggression. Gen. Honjo even announced that Japanese military action "inside" the Great Wall is due in September. How would the National Government cope with such situation?

When China severed her diplomatic relations with the Soviets, we already voiced our opposition and we characterized it as a blunder. China has two neighbors, and it is important that China should not make enemies of both, but on the contrary, out of the two, China should choose one to make friends with. We strongly disagree with the Chinese policy of "standing alone." We also strongly disapprove the present policy adopted by the National Government, in dealing with the Japanese aggression, which may well be characterized as "No definite policy." Having adopted no definite policy but having to face a well formulated policy on the part of the aggressor, that China is to suffer is a foregone conclusion.

As to America, the formation of a Triple Entente is not in any way in conflict with the American traditional policy, which is known as the "Mouroe Doctrine," but on the contrary, would have the very effect of solving the predicament which America is now in. By forcing Spain to cede the Philippine Islands to America, and by joining the Allies against Germany, etc, the Americans have already torn the Monroe doctrine into pieces. The formation of such an alliance is not creating a dangerous precedent. The necessity of the present situation justifies the Americans to take such action so as the "ensure its security and to maintain its prestige"—but to talk less about the traditional policy.

As to Russia, her joining hands with the United States and China is the only way to save her and to avoid an actual conflict with the Japanese. The present sitation in Manchuria is aggravated largely due to non-cooperation among the countries bordering the Pacific to stand together to combat the Japanese aggression. Now is the time for these Pacific nations to band together and form an Alliance for mutual existence and benefit, and it would surely have the effect of "paralyzing" all of Japan's ambitious scheme and incidentally solve the whole problem once for all. Why not do it now?

Nanking, August 15, 1932.

Strong Condition of Leading Banks of the United States

All national banks in the United States must make reports to the Comptroller of the Currency at Washington at three stated periods during the course of the year. According to a report in *Time Magazine* on July 18 the item that banking reports upon which the Comptroller directs most attention is that indicated by "cash," which indicates the liquidity of the bank, otherwise its ability to meet the demands of depositors. The following reprinted from *Time* indicates the "liquidity" of the leading banks over the country at the end of June of this year:

Of leading Manhattan banks, *Irving Trust* was the most liquid at the half year end—64%. *Bankers Trust* followed closely with its $345,000,000 cash and Governments (up 46% in the second quarter) providing a ratio of 63%. *Public National*, with deposits of $85,000,000, warily continues 70% liquid because it was rescued from difficulties just before Bank of United States failed. Biggest private pool of liquid capital in the U.S. was in *National City* bank, still second largest U. S. bank. *Guaranty Trust* had piled up nearly as much; its $216 000,000 of cash and $320,000,000 of Governments were 57% of deposits. Still No. 1 U.S. bank is *Chase National* with total resources of $1 731,509,000, but National City is less than $200,000,000 behind. Though each have cash and Governments of over half a billion, Chase was only 40%, National City 44% liquid. Harvey Dow Gibson's *Manufacturers Trust* through its merger with Chatham Phenix now has more deposits than New York Trust which he left less than two years ago. *New York Trust* is now 52% liquid against 70% last autumn. Banker Gibson reported cash and Governments 37% of deposits. Sharp statisticians pounced on statements from Chicago's big Loop banks to learn the damage done by last month's banking flurry. Like nearly every U. S. bank *Continental Illinois* showed a loss of deposits, but only 10%. It was 38% liquid. Melvin Alvah Traylor's *First National*, despite a miniature run, had lost less than 1% of its deposits; was 47% liquid. Quaking depositors had practically gutted *Central Republic Bank & Trust*, to whose chairmanship Charles Gates Dawes returned, from over $160,000,000 to $112,308,000. With the aid of other friendly banks and R. F. C. it was able to show liquid funds 52% of deposits. Listed among liabilities, however, was the item "Bills payable" of over $44,000,000, probably representing the funds it had borrowed to stave off catastrophe Last week Central Republic's stock which slumped from a high of 108 to 2 had recovered to 4¾.

As Comptroller Pole must have expected, banks in other centres were not so liquid. Boston's *First National*, whose roster of 82 directors exceeds Chase National's by two, had cash and Governments equal to 43% of deposits. Since it absorbed Atlantic National in May, it ranks 8th in U. S. banks with total resources of $630,000,000, is far and away New England's biggest. Buffalo's *Marine Trust Co.*, king pin in the Marine Midland chain of New York banks, was 27% liquid. *First National* of St. Louis was 34% liquid.

Security-First National Bank of Los Angeles, chairmanned by President Hoover's great and good friend Henry Mauris Robinson, reported a ratio of cash and Governments to deposits of 26%. San Francisco's *Bank of America N. T. S. and A.* was slightly higher with 32%. Biggest bank on the Pacific coast with 410 branches throughout California, Bank of America was proud of its $51,000,000 gain in deposits since March. But since the statement showed that 75% of its deposits are savings accounts. much of the gain was presumably savings. Unlike checking accounts, savings accounts have risen steadily throughout the land.

Pittsburgh's *Union Trust Co.* with resources of $233,709,000 was 68% liquid against 60% at the end of last year. *Mellon National Bank*, 16 of whose directors are directors of Union Trust, expressed Mellon caution by keeping $120,000,000 in cash and Governments, making it 60% liquid. Among the assets included were "Due from United States Treasurer—$157,500," "Overdrafts—$3.35."

Hitlerite Stirs Up Race Prejudice Against Non-Whites

Captain Goehring, Hitler's right-hand man, in an interview in Stockholm August 11 said that Pan-Europe as proposed by Count Coudanhove-Calergi, is a combination of European states, united by the bands of racial origin and national consciousness, resolved to guarantee the primary rights of the white race against the colored people.

Still Another New Manchurian State---for the Koreans

(The following article reproduced from The Japan Chronicle for July 31 serves to confirm a report which appeared in The Osaka Mainichi recently that the Japanese were planning the creation of a sort of "special administrative district," embracing the so-called Chientao area which comprises an extensive area of Kirin province which borders on the Japanese colony of Korea. The article in the Mainichi stated that Mr. Morishima, acting Japanese Consul-General at Mukden and Mr. Morimoto, chief of police of the Kwantung government had conferred with Mr. Imaida, vice-governor of Korea on the question. It was assumed that some Koreans might be appointed to administrative positions in the new state but that real control would rest with the Japanese "advisers."

AFTER the unanimous desire of thirty million people (General Ma Chan-shan dissenting) in Manchuria for self-determination, we now have a unanimous desire on the part of 400,000 Koreans in Chientao that this region be made a "special district" with self-government. The Manchukuo Government, it appears, has no objection to the new scheme, and "it is believed that many Korean officials will be appointed." Great are the virtues of the passive voice, for it enables one to say what is going to happen without saying who is going to do it. This project for a "special district" brings Chientao into public notice; it is a district somewhat remote from the main lines of commerce, and without any great political importance in the eyes of the world at large, though circumstances have brought it into the purview of Geneva, owing to the connection between Korean settlements there and the trouble in Manchuria to-day. Since that trouble began, a number of people who for a consideration undertake to present a garbled view of Manchuria's history have told the public how it was a no-man's-land, and how, so far from the Chinese owning it, there was an imperial decree against their entering it. They entered nevertheless. For many years also there had been a gradual migration of Koreans across the Tumen River. China was an easygoing country, and in the nineteenth century she thought nothing of this. The Koreans were under Chinese suzerainty, and if they wished to cultivate the land in Manchuria, nobody thought of objecting. But, after the war with Russia, when Japan took over the position formerly occupied by China as suzerain over Korea, but very much more vigorously, questions of national status began to matter very much. A Korea entirely independent of China began to ask whether this tract of land, containing many Korean settlers and not very many Chinese, did not more appropriately belong to Korea than to China—a question that could not have arisen at all before Japan fought Russia for the maintenance of China's integrity.

The Status of Koreans

By an agreement of 1909 between China and Japan a rather special status is given to Koreans taking up residence in Chinese territory north of the Tumen River. This agreement provides that Koreans established in this area, engaged in cultivating the land, shall be permitted to remain there and be subject to the jurisdiction of the local Chinese officials. These "shall treat the Koreans and Chinese with equality as regards payment of taxes and in the enforcement of the laws. Chinese officials shall administer Chinese law in all civil and criminal cases where Koreans are concerned. A Japanese consular official may at all times attend the court proceedings. In cases where capital punishment may be adjudged, the Japanese Consul must be notified. If the Japanese Consul can point out any irregularities in the proceedings, he may request that another official be appointed to hold a rehearing of the case, so that justice may be obtained." It is also expressly provided that Koreans shall have the same protection for their property as is accorded to the Chinese; that moorings for their boats shall be provided; and that they may pass at will from place to place, but shall not be permitted to cross the frontier with arms except with a special pass. They are also, except in times of special stress, to be allowed to send out of the country their grain, straw, and fuel. (Willoughby, *Foreign Rights and Interests in China, p.587.*)

The Koreans as Japanese Subjects

It will be observed that though at this date Korea had gained her independence of China, Japan had included in the protectorate which she assumed over Korea a pretty extensive measure of protection for Korean citizens in China. It awoke the Chinese to the fact that, now that China no longer exercised any authority over Korea, the Koreans were being given a part-share in extraterritorial privileges—a development of independence which was rather surprising. The following year (1910) came the annexation of Korea, with the consequence that Koreans became Japanese subjects—a fact that was likely to have momentous consequences in Manchuria.

Some interest attaches to a passage in the South Manchuria Railway's *Report on Progress in Manchuria* in this connection. In the section devoted to "Controversial Questions," the Report states:

> Another question which for several years caused controversy between Japan and China concerned the Korean boundary, involving the Chientao District lying to the north or right bank of the Tumen River. ("Right" here is slip for "left.") The possession of this district, covering an area of some 1,550 square miles, with a population of 82,999 Koreans and 27,371 Chinese in 1909, was a subject of dispute for many years. In the years 1885 and 1887 respectively, "Boundary Commissions" were dispatched to the district by the Korean and Chinese Governments, with a view to solving the frontier problem, but they failed to reach a conclusion. As time went on, maltreatment of Koreans by the Chinese authorities became acute. Furthermore, the Koreans were always exposed to attacks from Manchurian bandits, and they constantly asked their Home Government for protection. Following the establishment of the Japanese Protectorate in Korea, the Japanese Government entered into negotiations with the Chinese Government....By the convention relating to Chientao Japan waived Korea's long-standing claim to Chientao District, and recognised China's territorial sovereignty in this region. Through this convention, Japan caused China to open four towns in Chientao to international trade and residence, which was further evidence of Japan's faithfulness to the principle of the "Open Door" in Manchuria. Japan also took the initiative in withdrawing her extraterritorial jurisdiction in China by recognising Chinese law and jurisdiction over the Koreans residing within the Chientao District.

A critic of the carping variety might discover in the above passage some statements hardly acceptable at their face value, without any further explanation. For instance, it is not clear why the Koreans should suffer a maltreatment of increasing acuteness. However, though references to the subject are not numerous, we find the following in a footnote in Dr. C. W. Young's *International Relations of Manchuria.*

> This Sino-Japanese agreement of 1909 relative to Koreans in Chientao did not finally settle difficult questions of jurisdiction where Koreans were involved. Conflicts arose thereafter as to the interpretation of the agreement, while the practice frequently differed from the letter of the law, especially after 1915. The boundary question itself, however, was settled in the agreement of 1909. Japan does not claim that Chientao is Japanese territory. The latter, however, has for some years past, and notably in 1927, attempted to secure the opening of Linkiang (Maoerhshan) to trade and to secure permission for a Japanese consular office to be established there. This the Chinese have always opposed. Whatever the law on the subject, it is a fact that many Koreans have become naturalised as Chinese subjects in Kirin province in an effort to obtain for themselves greater security against Chinese oppression in the matter of their land leases and taxes.

When the annexation came in 1910, the Chinese objected to the attempt made to regard all Koreans in China as Japanese subjects, with all the special rights thereby enjoyed, and it was agreed that the agreement of 1909 should continue to be in force so far as Koreans were concerned. It was an important matter, because when Japan assumed sovereignty over the peninsula, there were many who could not reconcile themselves to the change. There had been a serious rising in 1907, put down with awful severity by the late General Hasegawa.

It is easily possible that Koreans in Chientao had not always been fairly treated by Chinese tax-collectors, but that they ever applied to their home Government for protection in the old days is unlikely, and it is still more unlikely that they sought the help of the Japanese after the protectorate and the annexation. MacKenzie in his book on Korea relates the story of the terrible hardships undergone by the hundreds of thousands who fled from the country at the time of the annexation. These settled on the waste lands in Chientao, winning a livelihood from soil which was not unfertile but needed exacting toil. And, by the time they had made themselves a new home, Chientao once more came into an international discussion. No. 2 of the Twenty-one Demands made extensive claims regarding the rights of Japanese subjects to lease and purchase land and to travel freely throughout South Manchuria and Eastern Inner Mongolia. The Chinese, with an eye on Chientao, and the four hundred thousand Koreans settled there, objected strongly, pointing out that, when a closely knit country like Japan found it dangerous to permit foreigners to own land, a loosely knit State like China might be put in real jeopardy by such a provision as that made. The Peping Government proposed that all Japanese should be under regulations somewhat similar to those applying to Koreans, but this the Japanese rejected: so much for Japan's "initiative in withdrawing extraterritorial jurisdiction."

The point is so continuously stressed that the Koreans have to be protected by the Japanese from Chinese oppression (though most of them went to China in order to get away from Japanese protection), that this extract from the *Seoul Press* in December 1915 is not without interest. The Chinese authorities at this time were waiting anxiously to see how far the Japanese would go in using Korean Japanese subjects as a "spearhead" in taking land in Manchuria:

> As frequently mentioned of late, Chinese officials in Chientao are doing everything possible to win over Koreans in Chientao to their side, one of the methods lately taken by them being the granting of their naturalisation to China by a process much simpler than hitherto. According to the *Anto Shimpo*, a Japanese contemporary published in Antung, the Chinese authorities have recently established a naturalisation office in Yenchihsin, affiliating it to the prefectural office. By applying to that office, Koreans are granted naturalisation to China, without payment of the fee hitherto regularly imposed, and after naturalisation they are given the right of possessing land in Chientao. This being a great advantage to Koreans, many local Koreans are applying for naturalisation. It is said that for the past few weeks the number of Koreans naturalised to China has reached 1,000, and the number is showing a rapid increase.

After some discussion of the Chinese law of naturalisation, displaying on the part of this Japanese newspaper an anxious care lest its provisions lack complete fulfilment, it concluded:

> Besides, the loss of nationality of these Koreans has not been declared by the Japanese Government, with the result that their naturalisation to China is illegal, even though recognised by China. Under the circumstances, the naturalisation of Koreans in Chientao to China is meaningless in the eyes of the law as well as in reality.

This is only one incident in the history of a long struggle. In the towns which had been opened to foreign trade in Chientao (thus testifying to Japan's passion for the open door—a fairly cheap testimony, since nobody wanted to go to Chientao) Japanese consulates were set up, well provided with police and guards, who took entire charge of the towns on market days. In 1919, after the "Mansei" disturbances, there was a further influx of Koreans, and in 1920 there was the Hunchun rising, when hostile and even passive Koreans were punished with great severity on Chinese soil. The Chinese Governor, who protested against these proceedings, estimated the effects of the measures of pacification at 4,000 dead and a thousand houses destroyed. Japanese estimates were lower, though they made an appalling list.

It need hardly be said that there were by this time many Koreans in Chientao who harbored a deadly hatred for the Japanese. Admiral Saito, interviewed by some missionaries regarding the pacification of Hunchun, said he thought it was no worse than by the Black and Tans in Ireland. Japan had her Ireland, indeed, and her hostile expatraited Irishmen. There were numerous raids over the border, with robbery and murder. Some might suppose that when a subject is disaffected, it is better that he takes another nationality; but the Japanese policy was rather to try and maintain control over these enemies of their own household, and it repeatedly happened that Japanese consuls in Chientao informed the Chinese officials with no lack of brusqueness that they could not permit naturalisation of Koreans.

It was from this time that the complaints about Chinese persecutions began—not, as the S.M.R. Report suggests, from the first decade of the century or earlier. All Koreans, of course, were not hostile, and the Chinese, not allowed to naturalise Koreans, were very reluctant to lease land to them, never knowing whether the ostensible Korean lessee had Japanese behind him. At Wanpaoshan, where the fight took place between Korean and Chinese cultivators (marking the real beginning of the Sino-Japanese conflict) the tract was leased to Japanese capitalists who put Korean laborers to work it for them. It was ownership of this sort on a large scale that the Chinese were always afraid of, and because of which they consistently circumvented the rights guaranteed by No. 2 of the Twenty-one Demands. As time went on, and the Chinese refused to renew leases to Koreans, the situation acquired a phase not unlike persecution, and a good deal of ill-feeling resulted, but the whole trouble began through the Japanese refusing to allow Koreans to become Chinese.

Now it looks as though a possible way out had been found, with Chientao as a "special district" run by Korean officials—doubtless with Japanese advisers to save them from the difficulties of inexperience. Manchukuo is apparently much more liberal and not half so pernickety about the finer points of sovereignty as China.

Mrs. Kao Ying Unable to Pay Fine to Regain Liberty

Information received in Shanghai from Soochow is to the effect that Mrs. Kao Ying, wife of the former Chinese vice-consul in San Francisco who recently completed her two-year imprisonment on charges of smuggling opium into America, is facing difficulty in paying the $4,000 fine to regain her liberty. Mrs. Kao was arrested together with her husband in San Francisco in 1929 by United States customs officers upon seizure of a quantity of opium in her lugguage, at the time when they were returning to America from Hongkong. Upon repatriation to Shanghai from America, they were sent to the Nanking district court for trial. Her husband, who was sentenced to 18 months' imprisonment, regained his liberty several months ago and is said to have disappeared. It is learned that if Mrs. Kao Ying fails to pay the fine, she will have to remain in jail for 2,000 more days as the fine may be met at the rate of $2 for each day of imprisoment.

Japanese Ex-Service Men Form Groups to Go to Manchuria

A discussion of what steps should be taken to effect the suppression of the Chinese anti-Japanese boycott formed the main theme of discussion at a meeting of members of the Japanese ex-Servicemen's Association, held in the Japanese Club, Boone Road, Shanghai, on the evening of August 12. The question was raised of organizing a service group to proceed to Manchuria to assist the Kwantung Army. The formation of an espionage group was also suggested.

The *China Press* says a decision was reached to organize the available ex-service men here into 12 groups with 16 persons in each, for the specific purpose of going to Manchuria to assist Japanese troops. These 12 groups will leave for Manchuria as soon as orders are received from Tokyo, it was said.

Soviet-Japanese Accord Reached on Fishery Questions

Negotiations between the Soviets and Japan, for the settlement of outstanding fishery questions, which have been conducted for the past year and a half between M. Karakhan, People's Vice-Commissar for Foreign Affairs, and Koki Hirota, the Japanese Ambassador to Moscow, have terminated successfully, according to a *Tass* telegram from Moscow, August 14. A protocol was signed by the representatives of the two countries which provides, *inter alia*, for the solution of basic contestable questions arising from the application of the Soviet-Japanese Fishing Convention of 1928.

Why the Japanese Army Didn't Invade Siberia

(The following article by Louis Fischer, well-known American correspondent in Moscow giving the first inside account of the Japan-Soviet situation on the Siberian border, appeared in The Nation, N. Y., on July 20).

MOSCOW.—Moscow no longer fears a war with Japan. The Soviet Government looks into the future with greater calm than it did half a year ago, not only because of the difficulties which face Tokio in Manchuria, China, and at home, but because there is a vastly increased confidence here in the fighting capacity of the Red Army. Military attachés whom I have interviewed testify to the excellent morale of the Red Army and to the high quality of its training and equipment. If Japan were to start a war with the U. S. S. R. today it would meet a much worthier foe than the demoralized, corrupt, unprepared Czarist land and naval forces which quickly succumbed to a few surprise blows in 1904. Foreign experts quite unencumbered by sympathies for bolshevism or Russia are not at all certain that Japan would win a war against the Soviets. At any rate, such a war would be prolonged and extremely expensive. No one can foresee what anti-Japanese repercussions it would produce in China or how the peasants and factory employees in Japan would react to it. The sentiment here, therefore, is that unless Tokio statesmen lose their senses completely they will not attack Russia single-handed. To which one might add, however, that statesmen have lost their senses completely in the past.

Japan Wants Allies in Europe

Nevertheless, the Moscow political bourse is bearish on war prospects. Men acquainted with the international scene feel that no responsible Japanese government would dare to invade the Soviet Far East without a firm assurance from Poland and Rumania that they would attack Russia simultaneously in the west. Such an assurance will not be given readily. France and Poland entertain definite sympathies for the Japanese cause. American bankers have long suspected that Paris was supporting the yen and comforting Japan diplomatically. In Europe, on the Pacific, and at disarmament conferences, French and Japanese interests usually coincide. Yet France is probably not inclined to provoke a new and more devastating world war by inspiring a Polish offensive against Russia. Nor is Poland likely to accept French dictation unquestioningly. A few days ago in Warsaw a Polish Foreign Office official told me that Poland would be pleased to see Japan deprive the Soviet Union of Vladivostok and the Maritime Provinces. But Poland's financial stringency, economic distress, and domestic political disaffection are so great that any war would be a threat to her very existence. The United States ambassador in Warsaw, the American military attaché to Poland, the Soviet minister at Warsaw, Polish officials and journalists, and American correspondents in Warsaw with whom I have spoken during the last fortnight, all expressed the opinion that Poland's public mind was more preoccupied with German events than with Russian or Far Eastern events. And this is logical and natural.

The rising power of the Hitlerites is no comfort to Polish leaders. The National Socialists, the Steel Helmets, and the German Nationalists look longingly to the Polish Corridor and Danzig; and though the Nazis may hesitate long before sending Europe to the trenches again by seizing Polish territory, their ambitions in that direction create justifiable uneasiness in Pilsudski's entourage. Persistent gossip in Berlin about the possibility of a Franco-German rapprochement likewise has a disturbing effect on Polish politicians. To be sure, an agreement between Germany and France by the terms of which the Germans would get the Corridor as compensation for suspending reparations payments appears quite fantastic. Germany has too little to give France. Much more is involved, too, than the relations between these two countries. The unmitigated international economic depression, fast assuming the forms of utter collapse, serves as a further obstacle to such a Franco-German settlement. Yet Poland is perturbed by French coolness toward Polish financial needs and foreign political interests, especially so since important personages on the French General Staff are said to be wondering whether Poland, in its present state of weakness, would not be more of a liability than an asset in case of war.

Under these circumstances the possibility of a Polish attack on Russia must be discounted. It is not excluded. Nothing is excluded in the insane asylum which calls itself Europe. But it is not very likely. In the last six months the Bolsheviks have gone out of their way on numerous occasions to win the good-will of Poland. Soviet diplomats and newspapers have received orders from above to respect Polish sensibilities. Polish-Soviet trade is improving, and the Poles, God knows, need business. The Japanese, to be sure, have been active in Moscow and Warsaw courting Polish favor. Yet I do not think that Japan could depend on Polish cooperation at the beginning of its invasion of Siberia. Nor could it depend on Rumania.

Poland's preoccupation with Germany and its disinclination to be involved in a big military undertaking are the most reassuring factors in the Far Eastern situation. On the other hand, the assassination of Premier Inukai, the inflated influence of the immoderate militarists, the transfer of Japanese staff headquarters to Harbin nearer the Soviet frontier, and the evacuation of Shanghai, which released several Japanese army corps for operations in northern Manchuria, have had a disquieting effect on the Bolshevik press and Soviet public opinion.

Soviets Have Been Preparing

The rulers of a country cannot leave anything to chance. Stalin cannot proceed on the assumption that the Japanese will weigh all factors calmly and refrain from aggression. Nations on the warpath have been known to inflict damage on themselves; witness Germany's unrestrained U-boat war. It looks as if Japan would not be foolhardy enough to engage the Red Army without allies. But too much is at stake for the Kremlin to trust to luck and Japanese wisdom. If the Mikado's forces had proceeded on to the Soviet Maritime Provinces immediately after taking Mukden on September 19, 1931, they would have found them poorly defended and easy to occupy. With a powerful aggressive neighbor just across the border, such a position of unpreparedness was intolerable to the Soviets, so the last six months have been spent in feverish activities with a view to strengthening Russia's Far Eastern front. An excellent red air fleet is stationed in the region. The Bolsheviks have been building Zeppelins. If Japan were to open hostilities now, Soviet aviation could probably spare sufficient units from defense purposes to bombard supply stations and army and navy bases in the Japanese archipelago. The harbor at Vladivostok has been mined, and it would take the Japanese at least several months of costly fighting to capture the coastline—unless Voroshilvo and Blücher voluntarily retired to draw them inland, where the invaders would meet a well-equipped army with unsurpassed morale, numbering, according to an American military observer, from 125,000 to 150,000 men. It would be a first-class engagement; Japan could not carry off an easy victory. Japan might conceivably lose. Defeat would have a tremendous and incalculable effect on Nippon's international position.

The population of the Soviet Union suffers by reason of these efforts to reinforce Soviet lines of defense in Siberia. Factories which ought to be turning out goods for daily use or machines for production are making war supplies. Food is being diverted from the civil population to the army's reserves. Certain construction projects are retarded in order that others may be hastened to meet the exigencies of war. The war danger, in a word, upsets and distorts previously charted economic schemes. It frightens the peasants into withholding their produce from the market. Whenever the Bolsheviks begin to shout about the imminence of war, the village hoards its grain and begins to buy salt. This has happened several times since 1927. A war scare, moreover, can be used by unscrupulous politicians to suppress opposition and to hide the true causes of economic failures. Measures calculated to strengthen the front often weaken the rear, and I am not sure which is more decisive in time of conflict. Yet the Bolsheviks insist that the Trans-Siberian Railway must be double-tracked no matter what the expense, because signs of unpreparedness would simply tempt the enemy into Siberia. There is scarcely any section of the Soviet Union which escaped widespread ruin and destruction during the period of foreign military intervention between 1918 and 1921, and the fear of another invasion is enough to stimulate a violent preparedness psychosis.

Although the winter will bring some relief, the war scare is sure to flare up again next spring. There always remains the sense of uneasiness that Japan cannot be depended upon to keep the peace. The Russians, therefore, are intent on dispelling the atmosphere of hostility and uncertainty which dominates Soviet-Japanese relations. A concerted effort is being made to establish new cultural ties between the two countries, and the future may see Russian authors and artists traveling to Japan on good-will trips. More important is Moscow's desire to conclude a non-aggression pact with Tokio. Last year, when Yoshizawa, the Mikado's representative at the League of Nations, passed through Moscow to become Japan's new Foreign Minister, Litvinov and Karakhan met him at the railroad station and suggested negotiations with a view to the conclusion of a treaty of non-aggression. Nothing came of this suggestion. The Japanese did not know; perhaps they would want to undertake aggression. Any treaty can become a scrap of paper. Japan has disregarded the Kellogg Pact and the Nine-Power Treaty signed at Washington which pledged it to the principle of Chinese territorial integrity. Yet on occasions these potential scraps of paper act as little stumbling-blocks which delay the inception of wars, and Tokio has wished to keep the road clear. Moscow, nevertheless, continues to press Japan to sign the pact, and serious conversations may now be in progress. A friendly American gesture toward Russia could strengthen Moscow's hands in these pourparlers and guarantee a greater measure of peace on the Pacific. The only consideration which will finally sober the Japanese militarists is the knowledge that in the event of war against the Soviet Union America might help the Soviets. To be sure, the United States government does not like Bolsheviks and will not recognize a regime now approaching its fifteenth-anniversary celebrations. But if America wishes to prevent another war in which it is likely to be involved, the best thing to do is to improve Washington's relations with the Kremlin.

America Keeps Fleet in Pacific

Japanese aggression on the Pacific is an expense and an embarrassment to the United States. America keeps its entire fleet in the Pacific. Mr. Stimson has stated, in effect, that to grant independence to the Philippines would make them a prey of Japan. Anti-Japanese agitation again lifts its head in the Hawaiian Islands. China buys less and American business loses money. Our insistance on the Open Door notwithstanding, Manchuria is closed to American investments and exports. All these unpleasant consequences of Japan's encroachment on the Asiatic mainland focus attention on the possibility, still remote, of open hostilities between Japan and the United States. Sensational, irresponsible journals in Japan boast that America's turn will come after Russia has been put in her place. Other war-mongers are not decided whether the first round ought to be with the United States or the Soviet Union. The violent utterances of these publications are quoted in the Soviet press and invested with undue significance. The Far Eastern issue promises to become a hardy perennial. It will still be alive after the Presidential elections in November.

In the absence of Russian-American cooperation the U. S. S. R. must depend on its own resources. The intense military activity in Siberia during 1932 has enabled Moscow to talk more firmly with Tokio, and the new Japanese government seems to be impressed by the improvements in the Red Army's position in the Far East. Tokio, too, can no longer underestimate the task of pacifying Manchuria. The fine imperial German army, numbering at least 300,000 men, which occupied the Ukraine in 1918 never really succeeded in subjugating that country, and it never got the bread for which the invasion was undertaken. It may be years before Manchuria becomes an asset instead of a huge budgetary outlay. A combat between Japan on the one hand and the Soviet Union and the Chinese insurgents on the other would constitute a severe test to the Japanese army and navy. I think, therefore, that the Far East may now look forward to a period of peace by default.

The war danger, to be sure, remains, and for years, perhaps, Russia and Japan, fully armed, will gaze fiercely at each other from opposite sides of the thin Manchurian fence. But final security lies in the mounting industrial power of the Soviet Union and in the economic decline of Japan. Peace could be guaranteed earlier by international diplomatic action. Without it, Moscow can trust only in the fulfilment of the first and second Five-Year Plans. Or will the world blow up before then?

The Far East at the Honolulu Trade Convention

Statistics of trade usually make dry reading, but a perusal of the proceedings of the Nineteenth National Foreign Trade Convention held in Honolulu in May last, which has been issued in brochure form, reveals many points of great interest. Thus we find Mr. Shibusawa, one of Japan's veteran business men, pointing out that Japan's trade with America has averaged double that between China and America, and clinching this fact with the statement that "the volume of trade depends less upon the area and the population of a country than upon its economic development and purchasing power of its people." Incidentally Mr. Shibusawa quoted figures to show that America is Japan's best customer and Japan also buys more from America than from any other country. Silk is by far the greatest item of export from Japan to America, and raw cotton the principal export from the United States to Japan. In 1931, a year of depression, raw silk to a value of Yen 342,000,000 was sent by Japan to the U. S. A., and Yen 153,000,000 worth of raw cotton from the U. S. A. to Japan. Thirty-two per cent of the whole foreign trade of Japan was with the United States.

A very comprehensive view of trade relations between the United States and Japan was given by W. M. Alexander, representing the San Francisco Chamber of Commerce. Mr. Alexander pointed out that American production was far in excess of domestic needs and one outlet for the excess was being found in the Orient. Since the world war American trade with China had doubled and with Japan had tripled. Mr. Alexander quoted figures to show the importance of the "Open Door" in Manchuria not only to America, but to other great nations of the world. Mr. Alexander also gave details showing how the diplomatic and armed pressure by Japan on China had resulted in the boycott and how this had materially reduced Japan's trade and shipping in China.

One of the most sensible addresses made was that of Mr. Seko, managing director of the Mitsui Bussan Kaisha, on the subject of tariffs as trade barriers. He cited the rapidly increased customs barriers of nearly all the countries of the world as the most important item causing the world slump and world-wide unemployment. "We have been watching with great anxiety and horror the rapidly increasing tariff rates of almost all countries of the world and if we continue to go on with such practice of raising tariff rates, already too high on many articles, the trading doors of most countries of the world will practically become closed, except for some raw materials," quite pertinently remarked Mr. Seko.

Julean Arnold Speaks on China's Economic Regeneration

China was represented at the Convention by Julean Arnold, U. S. Commercial Attache at Shanghai, who in the course of an address, said:—"Allowance must be made for China's major catastrophes of the past year. Chinese leaders are exhibiting a more active interest than ever before in the advantages of foreign cooperation in the reconstruction and industrialization of their country. Plans are now being drafted for overtures of outsiders for capital, mechanical skill and cooperative assistance in building the needed trunk railways, highways and other means of internal communications; in opening China's stores of mineral wealth; in developing its hydro-electric power; in modernizing its agriculture; in the installation of industrial plants and branch factories; in reforming the currency; in building up a mercantile marine, and in developing China's excellent opportunities for commercial aviation. The Chinese people are on such a deplorably low economic basis, and the country is so rich in latent resources, that it will require decades before we may expect to reach the peak in modernization developments. In the process of its modernization, China should offer to the world an ever-increasing outlet for its surplus commodities, while furnishing an expanding supply of raw materials in exchange for its increasing imports, thereby assuring a steady flow of international trade. Where could we look for a more promising permanent remedy for our economic depression? Has not the time now arrived when the nations of the West may advantageously cooperate in seriously investigating the possibilities for assisting in a practical way China's economic reconstruction? In the past too much thought has been given to political China and too little to its economic regeneration."

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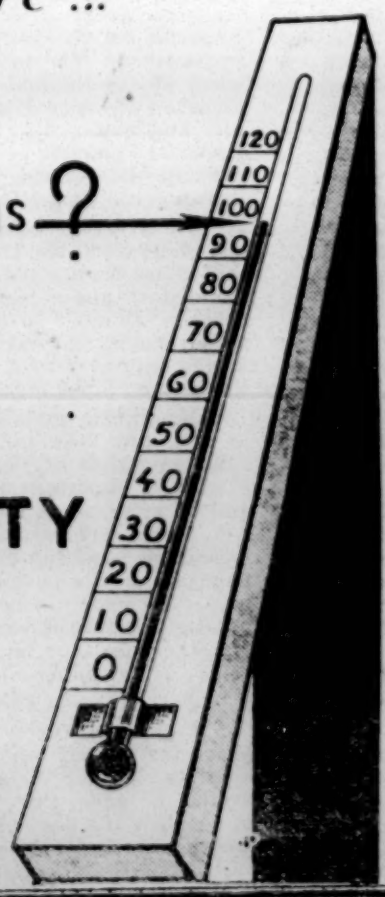

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"We Are Descendants of Gods---We Will Rule the World"---Gen. Sadao Araki

(By the Tokyo Correspondent of the North-China Daily News, August 8, 1932)

TOKYO.—That Japan has a Heaven-sent destiny to fulfil, that she is to-day facing an abnormal and very difficult situation, and that the country is determined that its "national ideals must be propagated across the seven seas and extended over the five continents of the earth" "even by the use of force"—these form some of the most salient features of a very long article that General Sadao Araki, Japan's Minister of War, has just contributed to the *Kaikosha*, the Army Club's monthly.

The article commences by referring to the divine origin of Japan and of the Japanese and "the enshrining of the gods of Heaven and Earth" in the Yamato Province of Japan by the first emperor, Jimmu Tenno. It then proceeds to regret that, of late, there has been a decadent and degenerating tendency amongst the Japanese, which is set down to "frivolous thinking" due to the "invasion of foreign thoughts and manners," but rejoices that, "since the nation in September last" realized what it was up against, a new Japan has come into being almost overnight, "a Japan that is so unassailable as the august figure of Mount Fuji itself, which is convinced of our national heritage and destiny and which, while anticipating the worst, is prepared to do its best."

General Araki then says that everything in this world has a duty of its own to perform—whether these be dogs, cats, trees or human beings. The Japanese have a great destiny to fulfil, and this duty of the Yamato (Japanese) race is to extend to the four corners of the earth Japanese kultur.

Complaint of Chinese Disrespect

He admits that the country is to-day in a very difficult position, and thinks that the best way of coping with the situation is for each and every Japanese to start with the consciousness that they are Japanese and nothing else—not cosmopolitans, or members of the League of Nations of adherents of other benevolent societies. He then switches over to the Manchurian medley and declares that the fundamental root of the whole trouble is the disrespect the Chinese entertain for the Japanese, the Chinese being alleged to be in the habit of looking down on the Japanese. Not only the Chinese, he says, but many other nations are thus inclined and this he sets down to the Japanese "showing symptoms of mental break-down."

General Araki then goes on to talk of the many "violations" of Japan's rights by China, the anti-foreignism inculcated in Chinese school books and the exemplary patience with which long-suffering Japanese endured all this, till their cup of woe was filled to overflowing. "The gods in heaven and earth bear witness to this," he writes, "yet the League of Nations, which ought to have acted in the strictest justice, dares to refuse to recognize Japan's claims. This shows clearly how disparagingly Japan is viewed by the entire world." The reason for this, he avers, is that the Japanese have forsaken their pride, faith and self-consciousness, and have preferred to worship "other and false gods."

It is essential, he thinks, that the Japanese again refresh their consciousness in the glory of their own national life, if they are to impress on the world their importance and have the Manchurian problem satisfactorily solved. General Araki is opposed to making Manchuria and Mongolia "mere colonizing and economic dependencies." He admits that the Japanese cannot compete with the Chinese. "Big commerical concerns," he writes, "even in Dairen, are controlled by Chinese merchants who are replacing the Japanese. Even such a purely Japanese trade as mat-making or bean growing is being tken over by the Chinese which clearly indicates how inferior the Japanese are when pitted against determined Chinese competition. This situation is not confined to Manchuria. It is to be seen in Formosa too."

The National Mission

He then tells his readers that however serious the economic situation of the country may be, the entire nation should not lose sight of "our bigger objective, of what we call our continental policy, and each and every one should back the Army to the hilt regarding this." The General then makes a lunge at both Socialism and Capitalism. Socialists, he thinks, forget the national mission of their country and wrongly believe that human beings are just so many soulless machines, while Capitalists, he says, are little better than parasites, their only object, according to him, being to profit at the expense of other elements of society. Politicians, salaried men and students are also severely castigated on the ground that they are all forgetting "their duties as members of our glorious mission for which we have been given life in this land of glory."

The War Minister then laments that Japan to-day is isolated and is "without a friend to rely upon in these times of need and stress." This happened, he declares, because the Japanese "forgot their own destiny, forgot the spirit which made possible the glorious foundation of our empire, lost their peculiar pride as a nation thus inviting the contempt of other peoples and because of their mental disintegration. Through forgetting their pride, the Japanese have called down on themselves the disastrous situation in Manchuria and Mongolia, while China's insult to Japan and the attitude of the League of Nations and of some other countries towards Japan has been made possible only because of the self-depreciation of the Japanese."

The General then switches over to what he calls "Japan's Mission in the Orient." He sees China in a chronic state of chaos; he maintains that the enormous population of India, under the rule of Great Britain, "are suffering terribly," and envisages a serious crisis there shortly; he sees Siberia and Central Asia in "the grip of the talons of an eagle whose claws are red with gore;" Mongolia, he sees going the way of Central Asia; of Korea, no mention is made; but he winds this paragraph up by saying that only in Japan, of all Asian countries, does real freedom and justice obtain.

Impudence of the Whites

"Situated as we are in such surroundings," he writes, "we cannot let things drift any longer. We are the leading Asiatic power and we should now take matters into our own hands. We must be active, even expending the last portion of our national strength. We must be prepared to wage a desperate struggle. The Whites have made the countries of Asia mere objects of oppression, and Imperial Japan should no longer let their impudence go unpunished. The principle of our Empire is the embodiment of justice and righteousness, and it is, therefore, expected of every Japanese that he be ready, both spiritually and materially, to take his part in establishing our Imperial Principle even through resort to arms. If we are actualy determined, we can secure our aims without drawing the sword from its scabbard."

He proceeds to say that, unfortunately, China does not understand the true spirit and strength of Japan and still relies on her old game of making friends with those far distant and of seeking to play one nation against another. "Japan," he insists, "stands for eternal and universal peace, and when she drew the sword in Manchuria, it was only to punish the monstrous being (Chang Hsueh-liang) who is the object of hate from every point of view."

Manchuria and Mongolia, the War Minister goes on to say, are "the gate for Japan's propagation of her fundamental principles, besides being vital for the nation's existence, important as ground for economic exploitation and of momentous importance for the national defence." All these considerations, however, he holds to be of secondary importance, the most important being the propagation of the national ideals of Japan. For this purpose, he insists, the Japanese should establish their prestige in Manchuria and Mongolia "firmly and eternally; otherwise they may forever be deprived of the opportunity of extending and propagating their national spirit."

The Mission in Asia

Japan, he further says, must not be content with peace for herself. She must see that "a rightful peace" obtains all over Asia, and the Imperial Army is well aware, he adds, that, when driven to it, a show of real strength is the best way of winning and retaining peace." He then talks of Russia's activities in Mongolia which,

(Continued on page 441)

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Why Pick on Marshal Chang Hsueh-liang?

BY PAUL K. WHANG (汪仲芳)

AT the time when the war clouds have been gathering thick over North China and the attention of the people has been arrested by the new developments in Jehol, Wang Ching-wei, Leftist leader of the Kuomintang and President of the Executive Yuan of the Nanking government, hurled a bomb into the Chinese political arena by voluntarily but determinedly resigning from his present government office, on August 6. His unheralded and altogether unexpected resignation has completely taken the people by surprise, and has been generally looked upon as an ill-omen to the present coalition government which was born under difficult conditions at the beginning of this year.

The reason provoking his resignation is his dissatisfaction with Marshal Chang Hsueh-liang's ignominious policy of non-resistance, the latter's care-free attitude toward the Jehol situation and his persistent demands of financial support on the pretense of resisting Japanese aggressions. In his telegram to Marshal Chang, after tendering his resignation to the government, he minced no words in suggesting that the Young Marshal should follow his example so as to redeem himself from past misdeeds.

In response to Mr. Wang's telegram, the Young Marshal telegraphed his resignation to Nanking on August 7. On August 9 all the heads of the government ministries and committees under the Executive Yuan resigned *en bloc*. So far it is still problematical what action the Central Political Council will take to deal with the present situation. If the present Wang-Chang controversy admits no compromise, it is inevitable that a new political leader and a military man must be presuaded to step into the shoes left vacant by Mr. Wang and Marshal Chang respectively,

That the Young Marshal is a "curse" to China can not be gainsaid. With more than 300,000 troops under his command and the national and local revenues in Manchuria and North China at his disposal, he should be able to defend his governed territories, but he retreated from Manchuria without offering any semblance of resistance in face of the invasion of a few thousand Japanese soldiers. His extreme timidity has invited further Japanese aggressions, thereby exposing Jehol and North China to danger. If the Young Marshal has a sense of responsibility, he should brace himself up to lead his vast army to recover the lost territories, or if he finds himself unable to do so, he should at least commit suicide instead of leading a licentious and easy life as he does now.

Marshal Chang's Indolent Policy

Marshal Chang's indolent and laissez faire policy has long been a theme of vigorous attacks by the public. On numerous occasions, various public bodies have either individually or collectively petitioned the Nanking government to impose due punishment upon him. In the National Emergency Conference which was held at Loyang last April, several delegates drafted a proposal for the punishment of Marshal Chang, but this proposal, as we have been later told, was shelved by the officials of the Conference. In view of the past leniency on the part of the Nanking government toward the ex-warlord of Manchuria, the present action taken by Wang Ching-wei is somewhat incomprehensible. If his reasons of resignation are valid, he should have quit his post ere now, or he should not have accepted his present government office at all at the beginning of this year, when the Young Marshal's policy of non-resistance and his high-handed measure in seizing revenues in North China had been long known to the public.

Inevitably there will be a search for the wheels within wheels that are always supposed to exist when there is a striking development in China's politics. It must be said that since his ascendancy to power, Wang Ching-wei has remained a figure-head of the government, while the actual power has still been wielded by the military leaders. He can claim no achievement to his credit, but shares all the blame heaped upon the government by the people. During the Sino-Japanese hostilities around Shanghai, he was particularly criticized for his passive attitude toward the 19th Route Army, and therefore has lost much of his popularity among the Chinese people. Recently his position has been made still more unenviable when he and his colleagues have been literally at their wit's end to seek revenue to satisfy the ever-increasing demands of various military leaders. Gen. Chiang Kai-shek, in his campaign against Red-banditry, has asked an appropriation of no less than $60,000,000. The young Marshal has demanded a subsidy of $3,000,000 for the defense of Jehol. This financial impasse, which several weeks ago caused the resignation of T.V. Soong, Minister of Finance, who incidentally advised his brother-in-law to seek the elimination of the Red menace by political and economical readjustments, must also be cited as the principal cause prompting Mr. Wang's resignation. With this in view, I am inclined to think that his dissatisfaction with Young Marshal and his policy is only a pretense, by which he wishes to get rid of his present difficult position and in the meantime to win back the public favor.

Moreover, Mr. Wang has had a personal grudge against Marshal Chang for the latter's part in causing the downfall of the Yen-Feng Revolt of 1930. Recently, when Mr. Wang visited Peiping, Marshal Chang is stated to have given the Leftist leader evasive answers when the latter questioned him on his policies towards Manchurian affairs. Thus putting two and two together, the present situation is a complicated one, as stated by Wu Tsz-hui, prominent Kuomintang philosopher and scholar.

In the present controversy, Gen. Chiang Kai-shek has remained silent and declined to return to Nanking to preside over the C.E.C. meetings from Hankow. Gen. Chiang's reticence has made the situation all the more obscure, although Mr. Wang has been quoted as saying that "his strong attitude against the recalcitrant militarists must not be misunderstood as acting against Gen. Chiang." In view of the past relations between Gen. Chiang and the Young Marshal, there is reason to believe that Mr. Wang's strong attitude may not be fully approved by Gen. Chiang. If such is the case, the split in the present Wang-Chiang combination is inevitable, which in turn will spell the end of the present coalition government.

Does the Marshal Intend to Study?

Will the Young Marshal make his exit quietly without causing any further complications? Although he stated that he was more than willing to give up all his official posts and to go abroad for some education at either Cambridge or Oxford, does it really mean that henceforth he will be content to live a retired life and bury himself among the books. It is true that his influence has been dwindling, but with a vast army under his command, he remains a political factor in North China. So long as his subordinates are satisfied with his policy of non-resistance, he can still utilize them as his personal tools to defend his position. Under such circumstances, it is exceedingly doubtful if Marshal Chang will actually relinquish his personal control over his army as subserviently as he surrendered the suzerainty of the three Northeastern provinces to the Japanese. His personal control of the army is the real crux of the whole question and until it is seen that he is really giving this up, nobody can be found to succeed him. If Mr. Wang is adamant in his demand for the resignation of Marshal Chang and if his viewpoint is supported by Gen. Chiang Kai-shek, the present squabble may easily develop into another civil strife, thereby giving the Japanese added advantage to fish in the troubled waters.

The public, prompted by Mr. Wang's resignation, has renewed its vigorous attacks upon the Young Marshal, and unanimously demanded his immediate removal. It must be said that he proves too "little" to handle the big problem now confronting him. His incapability has been enough examplified, and to allow him to retain his post will likely bring further disasters to North China. Therefore his elimination from the political arena in North China, a belated one though it is, will pave the way to reinvigorate the already much demoralized northern troops, so as to strengthen the defense against further Japanese aggressions.

"Killing the Dead Tiger"

But to heap all the blame on the shoulders of the Young Marshal is tantamount to the act of "killing the dead tiger." When the country is divided as ever and each general keeps his army on the sideline to watch the fighting, it is next to impossible for any general to fight single-handed and offer effective resistance to an enemy who is several times his size. If the Young Marshal is guilty of the charge of non-resistance, many other generals will be found guilty of the same charge. It is unfair to pick on the one whose star is already descending and exonerate all the other equally guilty generals.

Mr. Wang may justify his resignation, but to resign himself in order to force one military leader to resign also is simply ridiculous. In so doing, he fails to perform his duties as the chief of the Executive Yuan and to uphold the authority of a high civilian officer. If he is sincere to do a service to his own country, he can resort to other measures than his own resignation for the purpose of

"removing an obstacle in the way of resistance and national salvation." He seems to be devoid of the fighting spirit which was his noted characteristic in his younger days.

In connection with the present squabble, it is of interest to read the Japanese press which persistently stated that the Japanese War Office was determined to eliminate Marshal Chang from the Chinese political stage, but prior to the opening of actual hostilities, Count Uchida, Foreign Minister, was going to try to force Marshal Chang out of Peiping by diplomatic means. It was also claimed this was the underlying reason for Uchida's decision to send a new Japanese Minister to China; that a serious attempt would be made to induce the Nanking government to get rid of the Young Marshal as a means of paving the way for private direct negotiations between China and Japan on the Manchurian issue.

Whether the present dramatic development has anything to do with the so-called Japanese diplomatic means, can not be told. But in view of the change in China's foreign policy since the return of the Lytton Commission from Manchuria and the persistent advocacy of direct negotiations with Japan to settle the Manchurian embroglio by some important high officials, the demand for Marshal Chang's resignation may be interpreted as a measure to save Japan's face and permit a Sino-Japanese settlement to be reached by direct negotiations.

Whatever may be the outcome, the present open disunity among the high government officials will leave bad impressions on the Lytton Commission which is now preparing its report in Peiping and will certainly give the Japanese additional food for propanganda in defending their position.

Shanghai, August 15, 1932.

"WE ARE DESCENDANTS OF GODS—WE WILL RULE THE WORLD"—GEN. SADAO ARAKI

(*Continued from page 438*)

he thinks, "may prove a greater barrier in the way of Japan's mission of peace and order than Manchuria has ever been. He refers to Russian territory stretching all over Northern Asia to the Pacific and recalls that the word: "Vladivostok" means "Conquest of the Far East," and, after saying that the word still exists to-day, asks whether Japan can continue to tolerate this. He then refers to the large Korean population in Manchuria and avers that one of the reasons impelling the Japanese to invade and occupy Manchuria was to "bring freedom and liberty to these persecuted Koreans." He also says that there are hundreds of thousands of Koreans in Siberia in dire distress and undergoing terrible persecution. "We must see to their wants the same as elsewhere," he significantly remarks, "and we must take proper steps to afford them proper protection."

He winds up by quoting a part of the Edict of His Majesty the Emperor promulgated when he was recently enthroned. The Edict, in part, declared that in view of the recent movement of thought and divergence of interests in the economic sphere, the people should view the situation from such a standpoint as commands the whole view, strive for mutual prosperity, and colonize "where there are no boundaries."

This General Araki says indicates the guiding principle for the people to follow. "We must not lament material wants or lack of power," he says in conclusion, "for everything really depends on the energy of the people. Whatever the atmosphere of the Far East, or however troubled the atmosphere of the entire world, we need not be unduly worried. We should solve all problems with determination in the spirit of the fundamental principles on which this nation is founded, principles that, time and again, our Emperors have indicated to the nation."

Harbin Y. M. C. A. Secretary Gives Views on Soviet Situation

Howard L. Haag, secretary of the Harbin branch of the Y M. C. A. in an interview with a Russian newspaper in Harbin recently, said that Soviet Russia was at present too weak to struggle with the Japanese on the Manchurian frontier; as a matter of fact the Soviets had already withdrawn, the Chinese Eastern railway not now being worth anything to them as Japanese railways built and projected put the Russian line at a great disadvantage. As regards Mongolia, the situation is different, said Mr. Haag, and Russia will hold on to this come what may.

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America Through Chinese Eyes

BY CHIH-BER KWEI, Ph.D.
Director, National Central University Library, Nanking

I HAVE BEEN constantly asked by my friends, both Chinese and foreign, to say something concerning the impressions left in my mind by my sojourn in the United States of America for the past five years or so. If there is one thing I thought I would never do, it is an attempt to write about my experiences in the New World, as I am fully aware that any picture that I can draw of America must necessarily be an imperfect one, especially in the case of a young country where everything is affected by the fact of youth. Nevertheless here I am! My alibi is that I am forced by the circumstances. In this article my humble claim is that what I shall describe I have seen with my own eyes and experienced with my own soul

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In the third place, the Americans wish to save time, so that they try to make everything as automatic as possible. If one is walking along the street, he would see a round glass container full of round pieces of chewing gum. Just insert one penny into the slot and one piece of chewing gum will automatically roll down ready to be taken. Almost equally abundant one may find the automatic weighing machine. One can stand on it for hours, but it would not tell him how much he weighs, unless he inserts a penny into the slot. As soon as the penny is inserted, the pointer in the dial immediately turns from its resting position of zero to the figure that registers his weight. These are called slot machines and they are countless for a variety of purposes. Perhaps we may think that we must give our carfare to the conductor and receive our ticket in return as it is usually done in China. In every street car in America, near the right-hand side of the conductor, there is an automatic machine in the form of a transparent box into which we drop our carfare and the money will automatically fall to the bottom. It is so constructed that it registers the fare at the same time. The conductor needs only to look at the figures and sorts the different coins into different cylinders of the exact sizes of the respective coins carried on his waist.

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"I will not fill any post or pursue any business where I can live upon my fellow-citizens without doing them useful service in return; for I plainly see that this must bring suffering and want to some of them. I will do nothing to desecrate the soil of America, or pollute her air or degrade her children, my brothers and sisters.

"I will try to make her cities beautiful, and her citizens healthy and happy, so that she may be a desired home for myself, now and for her children in days to come."

Before closing, it is unnecessary to state that in this article nothing has been said about the imperfections of America. No person should look for perfection in America or in any other country. The prime duty of a student who goes abroad is to absorb the good and to avoid the evil, and to bring home only such elements as will help to remedy the defects of his own native culture. If I have accomplished anything along this line, I shall be more than satisfied.

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NOW AND AT ONCE!

America Through Chinese Eyes

BY CHIH-BER KWEI, Ph.D.
Director, National Central University Library, Nanking

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NOW AND AT ONCE!

The Agrarian Problem of Japan: A Crucial Factor in Her Political Situation

BY HSIEH NAN-KWANG AND C. H. HOH

JAPAN is now confronted with two vital problems pressing for immediate settlement: the Manchurian Affair and the agrarian problem within the country. These two problems are so closely inter-related that unless some satisfactory measures are devised for their joint solution, a very grave crisis will be created in the Far Eastern situation. Indeed, they are so vastly important that they can neither be regarded as a mere Sino-Japanese issue or just an internal problem of Japan.

Japan has long harbored evil intentions on China and her territory, but because of the restraints of the various treaties, she had not dared seriously to depart from them. But in September last year, Japan in open defiance of international law suddenly embarked upon an aggressive military adventure in the Three Eastern Provinces and occupied all the cities. This sudden and surprising coup was precipitated largely by the increasing difficulties in Japan's internal political situation, which were threatening a socialist-revolution in Japan. Under the pretext of a bombing incident at Niutiaokow in Mukden and in the name of self-defense, Japan dispatched an aggressive army to the Three Eastern Provinces. Such pretexts were intended only to appease the indignant feelings of the world, but the real reason the Japanese Militarists had made clear to their fellow-country men. After the dispatch of the Army to Manchuria, the Japanese War Department issued a proclamation to the country. With characteristic frankness, the proclamation told the people that in order to revive the prosperity of Japan and to solve the problem of unemployment, it was imperative that Japan must occupy the Three Eastern Provinces and that unless this was done there was no prospect for the Japanese people. The proclamation ended with a passionate appeal "Follow the Army to the Three Eastern Provinces, People of Japan." In this way, the Japanese militarists foster the spirit of militarism and the Japanese emigration to Manchuria. But shortly after the Manchurian Affair, the Shanghai Incident occurred, bringing about a succession of feverish events. While the prosperity which the Japanese militarists promised the Japanese people would follow the Manchurian-Mongolian Invasion has not been realized in the least, the Japanese Exchequer had already spent over Yen 300,000,000. What in turn the military adventure has actually earned for the Japanese people is the universal hatred and a spontaneous movement of boycott against the Japanese goods in many parts of the world. As a consequence, the Japanese commodities for export business have accumulated and virtually rotted in the warehouses. The unemployed are multiplying in every part of the country. The lot of the poor people and poor farmers has become absolutely into-lerable. No employment was available despite their ardent desire to seek for such and they have been in such serious straits as to have been denied even a livelihood. This state of affairs naturally causes dissatisfaction and complaint among the people and threatens outbreaks of dissurbances. The militarists, likewise disgusted with this situation and regardless of right or wrong, laid the whole blame at the door of internal political maladministration. They formed secret societies and assassinated the late Premier Inukai and attacked the Headquarters of the financier capitalists. Since that incident, the internal political situation began to attract attention from the outside world. Following the formation of the Saito Cabinet, a nation-wide cry was heard for rural relief. At present, the question of adopting right or wrong relief measures has a great deal to do with the internal political situation of Japan and also with the peace of the Far East. For if the Japanese ruling Authorities can not devise suitable measures for relief, the result will inevitably be to drive the people to war against foreign countries.

II.—Four Important Internal Problems

Internally, Japan is now facing four political problems of first magnitude. First, whether or not the existing system of parliamentary politics can continue? If not, what is likely to become of her future political system? Proletarian dictatorship? Or a Fascist Dictatorship of the combination of capitalists and financial groups? Secondly the problem of rural relief. Thirdly, the problem of relief of middle class industries and businesses. Fourthly, the problem of relief of the unemployed and the farmers. The last three problems are inter-related, while the present article will be devoted to the discussion of the problem of rural relief only.

The miserable condition in which the Japanese rural districts now find themselves is indeed beyond description. I have only to mention just three instances to illustrate it. Since the agricultural crisis in 1930, the argicultural products have fallen greatly in value. With their yearly harvests, the farmers could hardly find enough to pay the land rentals and the various taxes. Consequently, many of them were heavily in debt. Because of the inability of many tenant farmers to pay rentals, the landowners take away the land from them and thus render their lot more unbearable. Deprieved of means of a livelihood, many unfortunate farmers were compelled to commit suicide with their families as a sole means of delivering themselves from their miseries. Such cases frequently happen in practically all parts of Japan. At times, stories of these tragic happenings also find their way into the press. In another instance, a farmer stole a small quantity of rice from a neighbor in order to pay off an accumulated debt and he was caught red-handed. Overwhelmed with a sense of shame, he committed suicide. In some rural districts, the poor villagers, in order to keep body and soul together, were forced to sell their wives or daughters for prostitution or to live on barks or bean-cakes to sustain life. There are cases of pupils in country schools reducing their meals and of teachers cutting off their salaries. One thing that deserves most pity and special notice is that since the invasion of the Three Eastern Provinces by the Japanese Army, the Japanese militarists, in order to push forward their policy of aggression and encroachment, tighten their grip upon the poor people and sqeeze every cent from them. They call upon the school pupils to contribute to a fund for buying more airplanes to assist in the execution of their militarist policy. Only a few pupils can afford to contribute a cent and in poorer districts, only one-third of them can contribute one or two coppers, while the other two-thirds can only contribute one egg each to meet the militarists' demands. When a detachment of troops returns to Japan for relief after some fighting in Manchuria, the militarists inspire and urge the people to stage welcome parties for them. For example, at the welcome meeting held at Tomo district, only one-third of the people attending the meeting was able to contribute ten cents each. Judging from the above, it can readily be imagined what a pitiful condition the people of Japan are now in!

III.—The Real Situation of the Agrarian Crisis

What is described above has been the real condition of the tenant farmers in the rural districts since 1930. During the past three years, these tenant farmers have incessantly cried for help and relief, but the Japanese political leaders have never made any serious thought of the problem or attempted to devise suitable means for its relief. The reason why the rural problem has now aroused so much attention in Japan is that after the bankruptcy of the tenant farmers, the agricultural crisis has become intensified and the prices of goods have become further depreciated. On account of this, the land owners have also become seriously affected and are gradually treading upon the path of decline, despite their desperate efforts to check it. Politically, the poor tenant farmers have not the slightest influence and their appeals for help and relief go unheeded by the government authorities. But in the case of the land owners, the situation becomes entirely different. Political leaders wishing to maintain their position and preserve their influence must enlist the good-will of the land-owner class. Moreover, the Japanese army officers nearly all come from the class of land-owners, at least 80 per cent of them. So, in order to secure support in any large-scale military operations, they can not afford to ignore the appeals for help of their elders in the rural districts. For this reason, at the present time when the land-owning class is in a depressing condition, Japanese political leaders all concentrate their attention and effort to study relief measures. This explains the real inside situation.

Further, Japan, according to an estimate, has at present 950,000 houses of land-owners and the lands owned by them have all been mortgaged in banks. Since the fall in prices of the agricultural products, the income from those lands is so small as hardly sufficent to meet living expenses. How can they have spare money to pay the interest and refund the capital to the banks? Therefore, to relieve the land owners is just another way of relieving the capitalists

and national finances. This explains why the ruling class in Japan is so worried over the rural crisis. For this reason, the various relief measures suggested by the leaders in Japan unanimously advocate the suspension of payment of both interest and capital to the banks and readjustment of the debts of the poor farmers.

However, why the Japanese rural districts have become so poor and are in such a pitiful condition is a very important question which deserves detailed consideration. First, since the finances of the different countries of the world are nowadays inter-related, the economic depression of one country naturally has its repercussions in other countries. It is impossible that one country prospers, while all other countries are suffering. Thus, the poverty of the Japanese rural districts is also due in a measure to the prevailing economic depression now afflicting the world. However, the present rural crisis in Japan has its own particular causes and can not be entirely attributed to the present world economic crisis. Since the beginning of the Meiji Era in Japan some sixty years ago, the Japanese leaders, realizing their economic backwardness, have concentrated their efforts for the development of industries and commerce and expansion of military armament at the complete sacrifice of the welfare and interests of the rural population. Because of the lack of raw material and limited market at home, Japanese economic resources most acutely depend upon the overseas market to sell industrial products. Therefore, in the wake of the agricultural crisis of the world, the Japanese militarists' aggressions in Manchuria and Mongolia naturally arouse the hostility of the world toward her products. And the boycott movement becomes most intensive in the Main Continent of Asia. Thus, the causes produce effects and effects in turn become causes. The entire economic frame of Japan is now gradually sunk in a forlorn state, which is the result of her isolated policy. Moreover, as the policy of armed aggression becomes more intensified, the more difficult is the solution of her problem of rural economic relief. To illustrate this point, we have the present case of Manchurian invasion. At the beginning of the Manchurian adventure, the Japanese Army Headquarters told the people that the occupation of Manchuria and Mongolia would revive the prosperity of Japan and relieve the suffering of the people. But the actual outcome of the adventure turns out just the opposite. Since the Japanese pursued their policy of armed aggression, Japanese goods are boycotted everywhere on the main-land of Continental Asia which has been virtually closed to them. Because of the present disturbances, Manchuria and Mongolia suffer in agricultural production and as both of them are thinly populated afford few opportunities for marketing Japanese goods. Furthermore, if the agricultural products in Manchuria and Mongolia yield no revenue to Japan, the present Japanese rural crisis will grow worse. For example, the yearly bumper harvests in Korea and Formosa during the past few years have already constituted a keen competitor for the Japanese native agricutural products and the Japanese leaders are puzzled as to what to do with the situation. If now the agricultural products of Manchuria and Mongolia should find their way to Japan Proper, the competition with native production will be more acute and thus increase the suffering of the native farmers. Despite Japanese present efforts for rural economic relief, the result of such efforts is far from being optimistic.

(*To be concluded*)

Central Bank of China Opens Exchange Department

An Exchange Department, in addition to the existing Banking and Issue Departments, was opened by the Central Bank of China August 16, in pursuance of a proposal recently submitted by T. V. Soong, Minister of Finance and concurrently Governor of the Central Bank, to the Executive Yuan and approved by the Government. Hsi Te-mou has been appointed general manager of the new department, with S. T. Huang as assistant manager, with Messrs. Y. L. Chang and K. W. Hsu holding powers of attorney.

Why Japan and Italy May Withdraw from the League

A recent *Havas* (French) message from London stated that various English newspapers seem to consider it highly probable that Italy and Japan would withdraw from the League of Nations. Italy is said to be considering this step because of her disagreement with England on several points relative to Disarmament. Japan is thinking of the move because of the Lytton Report, whose still unpublished text is reported to be considered unfavorable by Tokyo.

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Stimson Speech Pathetically Commented on by Chinese Press

U. S. Secretary of State, Col. Henry Stimson's speech delivered in New York on Aug. 8 before the Council of Foreign Relations on the subject of the Paris Anti-War Pact has aroused favorable, but pathetic, comment by the Chinese press. While many papers express great appreciation for his exalted views on world peace and international justice and his vigorous defense of the same, doubts are however, expressed whether informal platform oratory, such as that of Mr. Stimson's could have any influence in turning the course of events in a world where the principle that might is right still prevails. The papers also comment on the inefficacy of the Pact itself as an instrument for the preservation of world peace, as it only outlaws wars as a means for the settlement of international controversies, but makes no provision for the effective punishment of those violating the Pact.

Under the heading of "Upholding International Covenant" the *Sin Wan Pao* (Shanghai) in an editorial comment on Aug. 11 paid a tribute to Col. Stimson as "the only sober man among the world of mad inebriates" who sees and stresses the importance of international justice at a time when might runs rampant. However, the article deplores the fact that it avails little when many countries in the world openly defy this cardinal principle.

Criticizing the Pact itself, the paper commented that as the document bore the name of an international covenant and was solemnly signed, naturally it should have a binding force. In order to realize this force, the paper continued, it should have provided for the punishment of those violating it. But as it is, the Pact only stipulates that war as a means for settling international disputes should be abolished and that controversies between nations should be settled only by pacific means and no other. But, it utterly fails to make any provision as to how to deal with a country which resorts to war and refuses to employ pacific means. Thus, the provision that the Pact becomes effective after ratification by the signatories remains a mere empty phrase. For without providing for the punishment of the violators of the Pact, all other Provisions in the Pact become virtually a mere scrap of paper.

Commenting further, the paper deplored the fact that there are too few people in the world who pay as much attention to international justice as Mr. Stimson. Even the *London Times* would not hesitate to violate the Pact and abet the aggressors by advocating the creation of a Buffer State in Manchuria. The *Sin Wan Pao* expressed the firm belief that if the force of public opinion can be adequately developed and manifested, those who are attempting to defend the Pact will not be so indifferent as they are now and that the execution of the decisions of the League of Nations would not be so slow and hesitant.

Fear of Horror, Not Justice, the Motive

In a word, the paper concluded, the people of the world have not yet been deeply impressed with the importance of world peace. Their advocacy of the abolition of war is simply inspired by a vision of the horrors of the late World War and fear of a repetition of the same. What they want to avoid is another world war or in a more restricted sense, to avoid seeing themselves drawn into the whirlpool of the war. They have not the least intention as entertained by Mr. Stimson that international justice should constitute the foundation for the removal of all dangers of war. With such an attitude and such a view, how can it be expected that the international peace covenant can be effectively defended and preserved?

Commenting under the caption of "Mr. Stimson's Oratorical Diplomacy," a leading article in the *Shun Pao*, another important Chinese Daily in Shanghai, on August 12, while voicing great appreciation and deep sympathy for Mr. Stimson's conscientious efforts to preserve world peace, expressed doubt whether platform oratory can turn the course of events in the Far Eastern World in view of the Japanese determination to violate the international peace covenant and carry out its policy of aggression in Manchuria. Amidst an indifferent world watching the fire in the East with folded arms, only the United States of America stands out as a champion of world peace and from time to time makes known its diplomatic policy by documentary declaration (refer to letter to Senator Borah Jan. 24 last) as an appeal for the maintenance of the Nine-Power Treaty and indirect warning to bellicose Japan.

Then, the article briefly mentioned Mr. Stimson's visit to Europe early last April apparently in an effort to find out a new way for the solution of the Far Eastern Embroglio, but the Japanese stiffened their attitude and ignored his good offices. He had to return without achieving any success.

Now, continued the editorial, while the Japanese are threatening to invade Jehol and North China, Mr. Stimson delivered an important speech at New York on the topic of development of the Anti-War Pact, eludicating the principles of the Pact and reprimanding Japan for its violation. It seems as if that Mr. Stimson's method of diplomacy has been changed from that of documentary declaration to the form of platform oratory. Any person who has any faith in International Law will be deeply convinced of the soundness of the principles of the pact as propounded by Mr. Stimson. In reprimanding Japan, Mr. Stimson said: "A nation which sought to mask imperialistic policy under the guise of the defense of its nationals would soon be unmasked." But his speech immediately provoked a storm of protest in Tokyo and a spokesman of Japanese Foreign Office officially expressed the wish that third parties "would avoid statements or action liable to aggravate the situation, and that Japan is determined to establish a Buffer State in Manchuria between China and Russia."

Meanwhile, Japanese papers expressed strong resentment at Mr. Stimson's speech, which has aroused an unfavorable reaction among the Japanese people. While the question of whether Japan will file a formal protest with the U. S. Government may be laid aside, Japanese aggressiveness and high-handedness in regard to China are clearly manifested in the few words of the Foreign Office spokesman. How determined the Japanese decision to create a Buffer State in Manchuria is and how strong her attitude towards the United State is, can also be readily seen. What can Mr. Stimson do about it?

Concluding, the article pathetically remarked that the only effect Mr. Stimson's speech could produce would be merely a hearty applause from his audience. Mr. Stimson has failed in his method of "correspondence diplomacy," and we can hardly be led to believe that his new method of "platform oratory" can have any effect in shaping the trend of events in the Far East.

Desperation of Koreans Shown in Recent Manifesto

The following is a paragraph in a manifesto recently issued by the Korean Patriotic Association of Shanghai:

"If we have been sacrificing the lives of our members and applying force to crush the enemies, it was because that we could find no other better method with which we could wreak vengeance upon the enemies who are driving us daily to death. And until Korea is freed, and her freedom restored, there will be seen the struggle going on. Except the enemies, we accord all other nationals as our friends. We injured no foreign friends present at the Hongkew Park bombing April 29 many of whom were within a few feet from the target. Had the bombs burst at Dairen, it would have been verified whether the members of the Commission of Enquiry of the League of Nations were the victims or Honjo, the commander of Kwantung army; Yamaoka, the governor of Kwantung; or Uchida, the President of the South Manchurian Railway Compay killed. If we wanted a war, we want the war that will give a knock-out blow to Japan—the enemy to the world peace, but we do not hold the belief that by assassinating the members of the Commission of Enquiry of the League of Nations we could attain our wish, nor do we, as a seeker for independence, hold any such base idea as submitting ourselves as subjects of the enemy, to cause, as they interpret, an international issue, and to put them into an embarrassing position.

Dr. Nitobe Says Treaties Must Give Way if They Menace Japan's Existence

Dr. Inazo Nitobe, of the Japanese-America Society, speaking before the Williamstown Institute of Politics August 9 declared that if the treaties Japan has signed prove "a menace to her very existence she will be justified in cancelling her engagements." Japan signed such treaties, Dr. Nitobe declared, with the conviction that they would render secure the peace of the world and especially the Far East, "but if they are interpreted in a way to jeopardize her very life, the sooner she returns to her old seclusion the better." Dr. Nitobe defended Japanese intervention in Manchuria as necessary to protect her very existence and to forestall eventual Soviet Russian domination and sovietization of the Manchuria area.

Shanghai Bus Company Has Another Strike on Its Hands

The Shanghai bus company, which has been the pioneer in Shanghai in the introduction of flat fares, was the victim of another strike on the part of the conductors, incidental to the alteration in the zones, and the issuance of three colors of tickets covering shorter zones, one color for each zone. The evident object of the new system was to circumscribe the opportunities for "squeeze", and the striking conductors, evidently intent upon resisting the move, went on strike. The bus company service has as a result been crippled but far from paralyzed, and when the striking conductors saw that day by day the service was being extended by the aid of loyal employees, including Koreans and Russians, they adopted various forms of intimidation and also of violence. One of the incidents was to throw acid in the face of a Russian driver, without however having permanent blinding results. A woman passenger was also stated to have been slightly burned on one hand by drops of acid. The striking conductors have in the meantime considerably modified the demands which they first made when going on strike. The Bus Company maintains that the strikers are paid liberally and has shown no intention of receding from its position, but instead threatens to permanently discharge a considerable number of the strikers.

"China Forum" Continues Savage Attacks on Kuomintang

The current issue of *China Forum*, which the Chinese authorities are urging the American government to suppress, refers to the Noulens trial as "a judicial farce." In a general attack on the Kuomintang, the *Forum* speaks of Wang Ching-wei's resignation as a "further phase of the disintegration of the Party." A correspondent from Tokyo mentions that at the beginning of July the main strength of the Japanese Navy was standing by in Japan ready for sailing orders on the Siberian coast; practically every Japanese airplane is on duty either in Korea, Manchuria or Sakhalin. The general tone of the issue is that the Kuomintang is ready to "sell out" to the Japanese militarists. A prominent article is headed, "Virtual Opium Monopoly in Full Operation Here."

Chinese Printer of "Forum" Arrested

Thomas Tsu, proprietor of a printing establishment in Szechuen Road, was taken into custody in Nantao, last week by members of the Public Safety Bureau and detained for several hours, charged with printing the *Forum*, a paper which the Chinese authorities consider subversive of public order. Mr. Tsu was released on security after he explained that he had printed two issues in July, but refused to continue when he learned the nature of the paper.

Tibetans Erect Defence Works on West Bank of Chinsha River

A recent telegram from Nanking stated that strong defence works have been erected by the Tibetans along the western bank of Chinsha Kiang (River). The vanguards of the combined Szechuen-Sikang units have reached the eastern bank of the River but have been instructed by General Liu Wen-hui, Chairman of the Szechuen Provincial Government and concurrently Defence Commissioner for the Szechuen-Sikang border, to cease further advance and to await orders from the Central Government. Liu Chanting, an expert of the Mongolian and Tibetan Affairs Committee, who returned to Nanking from Sikang recently, stated in an interview that the Dalai Lama, upon receipt of repeated telegrams from Nanking, has agreed to abide by the instructions of the Central Government for a peaceful settlement of the Sikang-Tibet dispute.

National Central University to Reopen September 10

The National Central University at Nanking will re-open for the autumn semester on September 10. Entrance examinations will be held on September 1 and 2.

It will be recalled that the University was dissolved and all students dismissed last month when some of them became unruly and attacked Tuan Hsi-peng, Vice-Minister of Education then concurrently acting President of the University, when he was about to assume office. The institution has since been reorganized. Huang Chien-chung, former Acting Vice-Minister of Education and some time Provincial Commissioner of Education for Hupeh, has been appointed Dean of the College of Education.

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Cholera Spreads Rapidly in Honan Province

Kaifeng, Honan, August 11, 1932

Cholera has spread rapidly of late in Honan province and conditions have been made worse by many foolish superstitions which have gained currency. During the past few days, the temperature at Loyang, Honan, rose to 120 degrees. More than 50,000 cases of cholera have occurred in the province this season. About one-fifth of the victims died.

Heroin Addicts Increase in the Province

According to arrivals, the use of heroin is increasing in the South-western part of the province. In the capital of the Junan District also the number of the heroin users is no less than 500. A woman, named Liu Kuei Nu, or Lady Liu, is said to be able to manufacture heroin from opium. On August 2, a quantity of heroin, costing about $2,000, was seized at Loyang railway station by the inspectors of the local public safety bureau.

Floods Drown Several Hundred

On July 29, the Hsi River of Lin District, North Honan, overflowed its banks. As a result 300 people were drowned, and several hundred thousand mow of autumn crops were damaged. The flood was the highest that has occurred in the past 30 years.

Ancient Relics Discovered in Honan

In digging the ground for repairing houses, the public safety bureau of Chengchow, at the junction of the Pinghan and Lunghai railways, recently discovered a large quantity of ancient relics. The main ones are several pieces of giant bones, an iron sword, three earthenware vases, and 10 shield-style earthenware bricks 4 feet long, 1½ feet wide, and 7 inches thick.

A Chiu Tsun or big bronze wine cup of the Chow Dynasty, (1134-24 B. C.) 2 feet long and a foot round, with the following characters inscribed, "Drink in the house No. 5," has been discovered at Lushih District, on the Honan-Shensi border. When dug out, the cup was covered with heavy green rust. According to the ancient arts relics experts, only six such cups were made during the Chow Dynasty, to drink the health of the feudal princes. A few days ago this cup was seized by the government of Lu-shih District, as some curio merchants who had bought it for $320 were attempting to transport it to Shanghai in order to sell it there.

According to the Honan Museum here, several pieces of tomb-tablets of the Tang Dynasty have been discovered at Loyang, West Honan, and are expected to be transported here for preservation in the near future.

Bandits Active in Eastern Honan

In Eastern Honan, two notorious bandit ringleaders, named Li Kung-cheng and Liu Lao-chi or Old Liu No. 7, who possess 1,000 men respectively and are directed by the Reds, are now creating considerable disturbances. On August 5, they captured Liehmachi, 60 li south of Kuieteh. They announce to the public that they will soon attack Kueiteh city. All the long distance telephone lines in Eastern Honan have been cut off. With a view to suppressing the rampant bandits, General Pang Ping-hsun, formerly a Kuominchun commander, now commandant of the 31st army, has moved his troops to Hueilungchi, an important town in the extreme northwest part of Honan.

Cholera Decreases in Shanghai, but Rages in Harbin

Recent statistics pubished by the three Shanghai Municipalities show that the number of cases of cholera has decreased very considerably. The death rate among those attacked has been exceptionally low, mostly as the result of the very extensive anti-cholera inoculations that have been made. As against this, however, reports from Harbin show a heavy increase of cholera cases in that region. The deaths on some days reached as high as 25, mostly among Chinese victims. The situation in Harbin was made extremely difficult owing to the incidence of floods, large sections of the city having been inundated. With a view to securing foreign aid for flood relief a committee has been created in Harbin under the chairmanship of S, T. Bitting, manager of the Harbin branch of the National City Bank of New York.

Many Deaths from Cholera in Capital of Kiangsi Province

The number of deaths due to the cholera epidemic in and near Nanchang (Kiangsi province) has become alarming. Twenty-four deaths occurred among inmates of the local detention house in one day recently while another 18 died the following day. A whole village on the outskirts of the city is now deserted owing to the heavy toll of lives. The Provincial Authorities have received urgent demands from many districts for anti-cholera vaccine in combatting the disease. The Civil Court at Linchwan, north-eastern Kiangsi, has been closed, as death has claimed most of the police attached to the Court.

Relief Funds Asked for Manchurian Flood Sufferers

A telegraphic appeal for urgent relief for the flood refugees of Kirin and Heilungkiang along the Sungari River was received in Peping end of last week from Generals Ma Chan-shan, and Li Tu. The appeal stated that the flood along the Sungari River was unprecedented and that the loss sustained by the people of the two provinces exceeds tens of millions. Countless inhabitants have been rendered homeless, while the Volunteers have been dealt a heavy blow due to the lack of supplies.

More than ten thousand persons are reported to have been drowned in North Manchuria as the result of the recent floods.

U. S. S. R. Gives G. $5,000 to Aid Manchuria Flood Victims

A Moscow telegram stated that the Red Cross Society and the Red Half-Moon Society of the U. S. S. R. have donated the sum of G. $5,000 for the relief of flood victims in Manchuria.

Floods Cause Heavy Damage to Crops in North Manchuria

As the result of the floods, the agricultural crops in North Manchuria will show a huge decrease in the autumn, a recent telegram from Mukden reported. While in normal years the soy bean production areas along the Tsitsihar-Kushan and Harbin-Hailun railway lines alone amounted to 3,000,000 tons, this year it is estimated the production will not even reach 1,300,000 tons. Wheat and other agricultural products in North Manchuria, it is predicted, likewise show a marked decline.

On the other hand, the agricultural crops in South Manchuria are reported to be very favorable this year. It is predicted in Japanese telegrams that the favorable crops in South Manchuria will in no small measure offset the decrease in crops in North Manchuria.

Yellow River Continues to Rise

Twenty-one magistrates of districts along the Yellow River in Shantung have been specially ordered by General Han Fu-chu, Chairman of the Shantung Provincial Government, to concentrate their full time and energy to the direction of flood prevention work, leaving their routine and other duties to their respective subordinates, so that vigilance may be exercised at all points of the River to forestall a catastrophe. This measure was decided upon by General Han owing to the continuous rise of the waters of the Yellow River, which again stood at a height of 29.87 metres August 14.

Chinese Jailers Acquitted in Gladkih Case

Judge K. S. Wong sitting in the Second District Court (French Concession) August 11 acquitted the three Chinese jail officials who were accused of causing the death of George Gladkih, who died on June 19 while serving a seven-day sentence on charges of drunkenness. The three acquitted were Chief Jailer Hsu Chung-wen, Dr. Yu Min-kao, and Jailer Chow Chung-chang. Following the death of Gladkih, the French police opened a prosecution, on the instigation of Simon Gladkih, brother of the deceased, charging the jail officials with directly causing the death of the deceased. The case was presented by the Paul Premet, a member of the French bar.

Industrial Development in Soviet Russia

(Information supplied by the Tass News Agency)

The construction of a big locomotive and car repairing works, which will consist of 28 shops, has been started at Verkhneudinsk in Eastern Siberia. The scheduled cost of the works is 125,000,000 roubles. The shops will start operating next year.

Tremendous industrial advances are indicated in the latest published figures of Soviet production, covering the first six months of 1932, as compared with the corresponding period of last year. Power production advanced 44 percent, coal 27 percent, steel 11 percent, machine-building 36 percent, (with the inclusion of tractor production, 75 percent.)

Japanese Importers Fear Advance in U. S. Duties

Keen anxiety has developed among Japanese exporters as a result of a report received in Tokyo from America that the U. S. Government is considering raising import duties on Japanese goods to protect American industries, as imports from Japan have increased rapidly of late owing to the fall of the yen. Such a move would adversely affect Japanese exports of cotton tissue, rubber footwear and toys in particular, it is felt.

Recent telegrams from America stated that Japanese manufacturers were dumping rubber shoes into the United States at less than the cost of the rubber contained in them and as a result American manufacturers were urging the Customs Bureau to stop such importations in order to aid unemployment. American manufacturers of rubber footwear are stated to have lost a million dollars last year and none made money. Importations from Japan jumped to 1,323,000 pairs of shoes in the last five or six months, an increase by over six hundred per cent, compared with last year.

Opium Seizure Leads to Squabble Between Rival Police

Members of the Customs River Police and the Nantao River Police got into a squabble August 15 over the question of which of the two groups was entitled to take possession of some opium which was discovered in the act of being smuggled; incidentally also as to which of the two was to take into custody the two Chinese soldiers who were alleged to have done the smuggling. The smuggled opium consisted of 72 packages of 42 ounces each. It was found on a China Merchants' boat. The Nantao group won out in the struggle, and, according to instructions, the Nantao Police are sending the seized opium and the soldiers to Nanking.

Consular Body to Allow Council Free Hand in Road Negotiations

According to the *China Press*, the Consular Body of Shanghai will not interfere with whatever agreement the Shanghai Mnnicipal Council may choose to make with the Municipality of Greater Shanghai regarding the jurisdiction over, and policing of, roads built by the Municipality beyond the Settlement limits. At present on some of the roads police both from the Foreign Municipality and the Chinese Municipality may be seen on duty at the same time.

Democrats Try to Shelve Decision on Mayor Walker Until After Election

The controversy concerning the probity of Mayor Walker of New York City, who was summoned last week to Albany by Governor Roosevelt to answer the charges preferred by the Seabury Committee, has resolved itself into an effort on the part of persons prominent in the Democratic party, whose candidate for President Governor Roosevelt is, to shelve a decision in the matter until after the Presidential election in November. A delay in the investigation has already been obtained as the result of a New York court decision.

China's Efforts to Have Standard Coins

The minting of coins, whether silver or copper, by local governments is prohibited by the Ministry of Finance in identic orders sent on August 10 to the various Provincial Governments. With the impending abolition of the "tael," the Ministry is stated to be striving to eliminate all non-standard coins so as to bring about unification of the monetnry system in the country. It is intended that hereafter coins will be minted only by the Central Mint at Shanghai.

Railway Lines Out of Shanghai to Be Improved

The Ministry of Railways has instructed the Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railway Administration to discuss with the local agent of the British and Chinese Corporation the measures recently submitted by the Greater Shanghai Municipality for the improvement of the Woosung-Shanghai branch line. A detailed report of the conference is to be submitted to the Ministry for consideration.

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Men and Events

The death occurred in London August 11 of John Rae, prominent banker and expert on Japanese finance.

M. Speelman, local banker and financier, on August 17 celebrated his first arrival in Shanghai 35 years ago.

Mrs. M. J. Harris, wife of the manager of the *Associated Press* at Shanghai, has gone to Peiping on a visit.

Peiping advices state that Roy Chapman Andrews will be leaving the former capital for the United States early next month.

Hugh MacGowan recently returned to Shanghai to take the place of G. McCarthy who is on leave, with the Robert Dollar Company.

Japan says she doesn't intend to annex Manchuria. For that matter, a hatched chicken no longer intends to hatch.—*Bakersfield Californian.*

Dr. M. T. Z. Tyau, former director of the Intelligence and Publicity Department of the Ministry of Foreign Affairs, is paying a visit to Peiping.

Dr. E. Stanley Jones, a veteran religious worker with experence in South America and India, occupied the pulpit at the Community Church, Shanghai, August 14.

Luk Tze-tseng has been appointed president of the supreme court at Canton, which will be known as a branch of the Supreme Court in Nanking, but independent of it.

Mrs. Samuel Young, wife of the Chinese Minister to Mexico, and her daughter passed through Shanghai during the week, en route to Hongkong where they will remain for several months.

The Chinese newspapers state that a hawker demonstrated his patriotism a couple of days ago by contributing his entire savings, namely $16, to the Northeastern Volunteer Relief Fund.

Dr. James K. S. Woo, who, until recently, served as Chinese Minister to Switzerland and Chief Secretary to the Chinese Delegation to the League of Nations, has resumed his law practice in Shanghai.

The death occurred in Shanghai recently of the Reverend Huang Chang-hai, father of Dr. Garfield Huang. The late Reverend Huang had been a leading preacher and educator in Southern Fukien for four decades.

Major Arthur Bassett, director of the British-American Tobacco Company at Shanghai, departed on Wednesday of this week on a business trip to Tsingtao, north China and Manchuria, including Harbin.

Makoto Yano, Councillor to the Japanese Legation in Peiping, arrived in Shanghai end of last week to assume charge of the local office of the Japanese Legation pending the arrival of the new Minister, Mr. Ariyoshi.

G. G. Bradford, representative in the Far East for the Frigidaire Corporation, Ltd., New York City, departed last week on a business trip to New York. He expects to be absent from Shanghai for about three months.

A petition from the Shanghai Coal Merchants' Association requesting further reductions in freight rates for transportation of coal on the various National railways has been rejected by the Ministry of Railways.

The Kobe water police made an unsuccessful attempt August 3 to trace a sailor of a foreign steamer who took a picture of the Shimonoseki Fort when the steamer was passing through Straits several days previously.

The balance sheet of the Chekiang Industrial Bank Ltd., as of June 30, 1932 shows deposits in fixed account of $8,842,617.57 and on current account of $21,475,896.92. Li Ming is the chairman and general manager of the bank.

The Dollar Steamship Line and the American Engineering Corporation entertained at tea on the s.s. *President Pierce* in Shanghai harbor, August 16. Incidentally the two-and-a-quarter millionth "Frigidaire" was on display.

Mrs. Cecil Chesterton, sister-in-law of G. K. Chesterton, English playwright and novelist, who was in Shanghai and Peiping during the past several months gathering material for writing purposes, has departed from China for Japan.

The marriage took place at the Metropole Hotel, Shanghai, August 11 of Miss Yih Chung-wen, 18-year-old daughter of Yih Kung-cho, formerly minister of railways, to Wang Yi-bew, son of Wang Yu-lin, former vice-minister of justice.

Roger S. Greene, acting director of the Peking Union Medical College, who has been in the United States for the past four months in the interests of the college, arrived in Shanghai during the week. Mr. Greene will go to Peiping on August 20.

Thirty-two Communists, led by a redhaired woman, were arrested in Sydney, Australia, last week following an attempt to raid the Japanese Consulate there in protest against a rumored Japanese attack on Russia. The police repulsed the raid.

The death occurred in Shanghai last week at the age of 77 of Michael Joukowsky-Volynsky, a veteran of the Tsarist Army, his service dating back to the Russo-Turkish war of 1877-78. He is survived by a son employed by American Asiatic Underwriters.

George Bronson Rea, adviser to the Manchukuo Government, departed from Changchun August 17 enroute for Geneva by way of the United States. Mr. Rea will represent Manchukuo at the approaching general assembly of the League of Nations.

The Shanghai Chinese Bar Association, at a meeting held on Monday, resolved to submit a proposal to the Central Government and the Legislative Yuan, suggesting that a "jury system" should be adopted by the judicial organs in the various cities in criminal cases.

Two Chinese, Gee Geng and L. K. Chang, are at present travelling in Utah, whose mining authorities they informed that they are Chinese mining experts travelling under the auspices of the National Government of China, to inspect mines throughout the United States.

The marriage took place at the British Consulate Shanghai, August 16 of John B. Manley and Miss Elizabeth Britton. The groom is connected with Mortimer, Reid & Slee. The bride was until recently director of physical education at the Shanghai American School.

Mrs. Henry K. Murphy, who has been paying a visit to Peiping and Mongolia and is at present at Tsingtao, is due to sail for the United States on September 16 to give lectures on Chinese arts in the University of Hawaii, the Art Academy of Honolulu and in the Pomona College, California.

Six persons were seriously injured and one killed when a plane of the Toa Aviation School at Tsudanuma, Chiba Prefecture, Japan, crashed to the ground during a practice flight owing to engine trouble, August 14. The plane was piloted by a Korean named Goseigyoku, who was badly injured.

The Asia Life Insurance Company end of last week announced the appointment of William W. Burrell as Superintendent of Agencies. Mr. Burrell first came to Shanghai in 1925 with the Commercial Pacific Cable Company. He joined the American Asiatic Underwriters the following year.

General Huang Pin-heng, former director of the Aviation Department of the Ministry of War, whose resignation was accepted recently arrived in Shanghai during the week enroute to his home in Canton. He will later visit the United States and Europe to make a study of aviation methods.

Dr. S. C. Lee, dean of National Normal University, is expected to arrive in Shanghai from Peiping at the week-end en route for Seattle. Dr. Lee will take further study in botany at the Harvard University and he will then pay a visit to England and Germany. He expects to return to China in a year.

Leonard Husar, former U. S. district attorney for China, and who was arrested, tried, and convicted on a charge of accepting a bribe of G.$25,000, has been restored to eligibility to practice law in the state courts of California. Mr. Husar had in the meantime been engaged in the real estate business.

All orphans of the officers and soldiers who fell in the defence of Shanghai against Japanese invasion last February are to receive free education, according to a recent ruling of the Ministry of Education. Provincial and local educational organs have been advised of this decision and instructed to act accordingly.

Pilot Charles Vaughn of the China National Aviation Corporation is at Hankow suffering from a slight wound in his leg inflicted August 14 by a bullet believed to have been fired by Red bandits when his big amphibian mail plane was flying over Shansi on its way down river to Hankow. Although suffering from shock, Pilot Vaughn stuck to his controls and brought the plane safely to the water at Hankow.

Large quantities of opium and its derivatives, as well as opium-smoking paraphernalia, were burnt in the presence of representatives of the various local Party and Government organs, at Shanghai August 10. The narcotics destroyed comprised confiscations made by the Shanghai District Court during July-December last year, amounting to nearly 14,000 ounces. Opium-smoking articles totaled almost 5,000 pieces.

A recent telegram from Paris stated that Maitre Etienne Nouveau, former member of the French Bar of Shanghai, and former president of the "Amicale des Anciens Combattants Francais de Chine" (French war veterans in China), has been promoted to the rank of Chevalier of the Legion of Honor.

Hollington K. Tong, managing director of *The China Press*, who has been in America for several months has returned to China, but immediately after landing at Shanghai he proceeded to Tientsin on business connected with his paper in that city. T. Durdin, managing editor of *Ths China Press* is also on a visit to north China.

A delegation of 25 American negroes is at present touring Soviet Russia with a view to getting acquainted with the position there at first hand. A group of students from Yale, Harvard and Chicago universities is also touring Soviet Russia with a view to getting acquainted with the life and work of students in Soviet universities.

Yeh Te-ching and Hua Nan-kuei, respectively Counsellor of the Ministry of Railways and Chief of the Engineering Bureau of the Peiping-Liaoning Railway, departed from Shanghai euroute to Geneva during the week as experts to be attached to the Chinese Delegation to the League of Nations Assembly at its next meeting in September.

The Chinese Mercantile Marine Pilots' Association has sent a communication to the Shanghai harbor authorities asserting that foreign pilots are endangering Chinese shipping. The harbor authorities are reported to have replied that the Ministry of Communications has been requested to deal with the matter and that the foreign pilots will be replaced by Chinese.

George Sokolsky, former editor of the *Far Eastern Review* (George Bronson Rea's Japanese propaganda organ in Shanghai) and also an editorial writer on the *North China Daily News*, told the Institute of Politics, at Willamstown, Mass., August 9, that the success of the Communists in China is inevitable. All expeditions against the 'Reds" are failing, Mr. Sokolsky said.

Funeral services for Mrs. Margaret Belle Purdy, wife of Judge Milton D. Purdy, of the United States Court for China, who died on July 24, after learning that her husband had contracted cholera, were held in Shanghai August 17. The services had been delayed pending the arrival of the Purdys' daughter, Mrs. Florence Johnson, who arrived in Shanghai on Sunday, August 14, from Bombay.

What the Manchukuo Postage Stamps Look Like

Herewith is printed, enlarged nine times, one of the postage stamps issued by Manchukuo, the one reproduced being of one-cent denomination. In the center is a pagoda with a background of foliage. At the top are the Chinese characters for "Manchukuo Postal Administration." On each side are shown a stalk of Manchurian millet, known in Chinese as kaoliang. In the corners are the characters in English and Chinese for one "fen" (cent). Denominations for other stamps carry other designs. The 13-cent stamp has the likeness of "President Pu Yi."

Pearl S. Buck on Lecture Tour of United States

Mrs. Pearl S. Buck, author of "The Good Earth," the novel which won for her the Pulitzer prize, is at present on a lecture tour in the United States as is also her husband, Professor Buck. Mrs. Buck gave her first lecture in San Francisco. Professor Buck is lecturing on the economic problems of China. Following the lecture tour, Mrs. Buck will remain in New York City for several months, personally directing the stage production of "The Good Earth," for which she has sold the rights to a New York producer.

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Who's Who in China

William P. H. Hwang, government official; born at Hsiangshan (now Chungshan), Kwangtung, 1897; received a classical education in boyhood; graduated from the Nanking Government Teachers' College (now National Central University) 1920; while studying at Nanking, he was very active, being one of the organizers and elected first president of the Nanking Students' Union during the Students' Movement of 1919; served as an expert at the Kwangtung Provincial Agricultural and Forestry Experiment Station, 1920-21; went to America for advanced education, 1921, and graduated from the North Carolina State College of Agriculture and Engineering 1922 with the degree of M. S. in Agriculture; M. A. in Education, Columbia University 1924; pursued further studies in education, agriculture, economics and sociology at the Ohio State University, The Library of Congress, the U. S. Department of Agriculture and the N. C. State College, 1924-27; acting editor-in-chief of the *Young China Morning Post*, a powerful revolutionary paper in San Francisco established by Dr. Sun Yat-sen, and concurrently principal of the Young Woo School in S. F. 1927-28; returned to China in the Autumn of 1928 and was immediately appointed senior compiler (Pien Hsiu) of the Legislative Yuan which position he still holds; in 1930, in addition to his duty in the Legislative Yuan, he also served at times as professor and later dean of the National Central University and concurrently member of the Planning Committee and Conference of Agricultural Finance of the Ministry of Agriculture of Mining; address: Bureau of Compilation, Legislative Yuan, Nanking.

黃曜寰字杲卿
William P. H. Hwang

黃曜寰，字杲卿，年三十五歲，廣東中山人，幼習經典。民八參加五四運動，倡組南京學生聯合會，被推爲第一任會長。民九畢業于國立南京高等師範學校（現稱國立中央大學），旋任廣東省地方農林試驗場技士。民十，赴美留學。民十一至十三先後卒業于北卡羅賴納省立農工大學及哥倫比亞大學，得農學碩士，及教育碩士學位。民十三至十六，歷在澳海涇省立大學，國會圖書館，農務部，及北卡羅省立大學，研究農業，教育，社會，及經濟諸學。民十六至十七，任舊金山少年中國晨報（孫中山先生在美所創，宣傳革命機關報）編輯兼署總編輯，同時並任湯和學校校長。民十七返國迄今，任國民政府立法院編修，民十九，國立中央大學教務長兼教授農，礦部設計委員會委員，及農業金融討論會委員等職。通訊處：南京立法院編譯處。

A Picture Producing Company's Troubles

A civil action against the First China National Productions, Ltd., was started in the United States Court for China August 10 when K. S. Pearman, promoter of the concern, was made defendant in a suit filed by Albert R. Hager, trading as the Business Equipment Corporation. On the previous day a complaint was filed against Charles H. Lee, former accountant of the company, charging him with illegal possession of books of the company, including the ledger, cash and deposit books in two banks.

New Books of Interest in the Far East

Twenty Years of Revolution

China in Revolution, by Harley Farnsworth MacNair. University of Chicago Press, 1931.

This book by NacNair is the most satisfactory that the writer has seen recently, taking in the period of the Chinese revolution but starting with its imperial background, and coming down to last year in its chronicle of events. As to the exact proportions in which things are to be viewed, probably no two writers will agree, but MacNair's book includes about all that its subtitle promises: "An Analysis of Politics and Militarism under the Republic." There is, indeed, much more of chronology than anylysis, but the facts are put down, in fair perspective and general accuracy.

The ground covered is shown by the Table of Contents: The background; Yuan Shih-kai vs. Sun Yat-sen; First and Second Phases; The Warlords, 1916-28; Sun Yat-sen and the Nationalist Movement; The Ideology and Plans of Sun Yat-sen; The Rise of Chiang Kai-shek and Borodin; Wuhan vs. Nanking; Completion of the First Phase of the Nationalist Revolution; Five Power Government at Nanking; Nationalist China, 1928-31; The Hammer and Sickle vs. the Twelve-Pointed Star; and Conclusion. An Appendix gives the text of the provisional constitution adopted by the National People's Convention last year.

If there is fault to be found, it is mainly that it sticks too closely to the limitations of its sub-title, Politics and Militariam. Little is said about the economic aspects of things, about the serious ecenomic effects of opium suppression as an important factor in the First Revolution, of the rise of the labor movement a decade later, of the actual state of the people as this altered with the political and military conditions, reacting upon these condition in turn. Population, so far as I recall, is not once mentioned. The growing condition of actual famine is hardly alluded to. The wave of intense national feeling which swept over China in 1925, and surging upwards of labor consciousness at the same time—the factors which furnished the soil for the Kuomintang (and the Communists) to grow in power and gain control—are referred to mainly as if they were the conscious creations of the Kuomintang and its allies,—which is only partly true, and is far too complimentary to the Nationalists and Communists. There is not a single reference to the manner in which Allied propaganda and pressure, a few years previously, had been devoted to convincing China that at least some white nations were wholly evil and vicious, and had no rights which Chinese were bound to respect in any way,—certainly a factor to be considered. There is no reference to the wide disparity of payment between Chinese and foreigners—as among clerks in the cities or the one-sided justice of the police and courts of such places as Shanghai as a basis for resentment and envy at what appears uncalled for discrimination.

It is errors of omission rather than commission which MacNair commits. Feng's 1924 disloyalty to Wu is referred to, but there is not a line about how the man who so loyally aided Wu in 1922 has been removed from the governorship of Honan by him, and transferred to Peking with only nominal power and almost without funds. MacNair, indeed, has almost nothing good to say of Feng, and his administrative and social work—both among farmers and other civilians and his own troops—and the political principles which he declared long before the Northern Expedition of 1926, are not even mentioned.

Most important, however, as coming within the author's own limits of "politics and militarism," is the failure to emphasize the steady rise of Chiang Kai-shek to supreme power in recent years. This, surely, is the outstanding and central fact of Chinese political and military history in the several years before the Japanese occupation,—the succesive utilization and subsequent elimination of Borodin and the old left-wing Kuomintang, of the Kwangsi military clique and the Tsia-Wu-Li civilian clique, of Feng Yu-hsiang Hu Han-min, Yen Hsi-shan,—until Chiang divided real power only with Chang Hsueh-liang, who is now reduced to a secondary power by the Japanese seizure of the three eastern provinces.

Another striking politico-military fact going hand in hand with this—to which MacNair does not specifically refer—is the rise of southern domination to supplant northern. Ten years ago the northern warlords were supreme, and the southerners were apparently, at best, futile rebels and politicians. But not only did southern domination

extend to the Yangtze but far to the north of it, and the chief military leaders of China today are mostly southerners, the "Young Marshal" being the one outstanding exception.

There is now, of course, another element developing, with the growth of revolutionary Communism in South and Central China. To this aspect of things MacNair gives due consideration, and treats quite fairly, though evidently with inadequate data—as indeed most of us must do in these days when the actual conditions of the tens of millions now under Chinese soviet rule are largely a mystery. In treating of this, indeed, and the present struggle between the Kuomintang and the Communists to see which Party dictatorship will rule, MacNair has more to say about social and economic conditions than in all the rest of the book put together, which makes it an excellent chapter in spite of such errors as listing Chen Kung-po and Ku Meng-yu as prominent Communists. MacNair regards it as a fight to a finish, in which, unless the political and social ideals of Nationalism and Communism can be harmonized, one side must crush the other. The sets of leaders and principles are struggling not merely for supremacy but for existence, since it is evident that no country as homegeneous culturally as China can remain half-Communist, half-capitalist, in organization."

Having read this review, which aims rather to supplement and complete than to really criticize a most excellent little study, now read the book. It's worth it.

H. H.

A Doctor's Philosophy for the Layman

The Doctor Looks at Life and Death, by Joseph Collins M. D. Farrar & Rinehart, G.$3.00.

Once more the eminent neurologist, Dr. Joseph Collins, scrutinizes human behavior from across his consultant's desk in a new addition to "The Doctor Looks At" series. During the past ten years Dr. Collins has presented his interesting views to the world in the volumes, "The Doctor Looks at Doctors," "—at Love and Life," "—at Marriage and Medicine," "—at Literature," "—at Biography." Befitting its rather comprehensive title, "The Doctor Looks at Life and Death" is the final and most significant of his works.

In this book the writer, (who has become a sort of friend, authority, and prophet for the laity on the subjects he discusses, and more particularly for young people and students,) has achieved another remarkably readable study of the problems of living and finally of what he calls the "last anguish" of approaching death. With his very versatile viewpoint as psychologist, neurologist, physiologist, sociologist and philosopher, Dr. Collins remains curiously unclinical but human and sympathetic in his outlook.

Dr. Collins presents more strongly than ever his thesis that ignorance and misinformation are responsible for the greatest misfortune that can come to man—ill health, and particularly psychological ill health. In several discussions of case histories he proves that usually environment and early training, or lack of it, victimize the average "patient" so that he can perhaps never extricate himself from the involvements of his own psychology, whereas a knowledge of the facts causing the abnormal condition, either by the parents or the child, might have easily and naturally kept the person in the proper channels from which he was diverted.

After thirty years of "reconditioning human derelicts," Dr. Collins has concluded that: "Like every game, life has rules. To play the game properly one must conform to them. One must have knowledge, health and self-command. Knowledge is the most important of the three for it may beget health as ignorance may wreck it." But there is something more. "Perhaps it is best called stance, or point of view. Some have an aptitude for living. It is their birthright. Like a golfer with a natural swing, or people with card sense. If a man has only a vague notion or none at all of the significance and value of life, it is not likely that he will get much out of it. A man wants 'fulfillment of desire'—his hope fulfilled, his love reciprocated, his ambition realized, his joy shared and his vanity satisfied. • • • Fortunately, desire varies, one person may desire to have children, another to get rich, another to kill a policeman, another to live long enough to see The Honorable Mr. Borah out of the Senate."

He preaches the doctrine of "truth," the whole truth, and nothing but the truth, with no stork stories for the children. Like Socrates declared, a man must first learn the truth about himself and then *admit* it. It is, Dr. Collins declares, a thousand times more dangerous to lie o oneself than to keep truths from or lie to a physician who is diagnosing your case in a matter of life and death.

In the United States Court for China

In re.	Cause No. 3458
Last Will & Testament of JOANNA MARIA JUSTER LEE Deceased	Special Proceeding No. 789
	NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOANNA MARIA JUSTER LEE deceased, to present the same with vouchers to the undersigned on or before February 27th 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China. THOMAS ALLA LEE
July 22, 1932. Executor, 64 Rue Molliere
Shanghai, China.

In the United States Court for China

LORAINE LOWDER PINKSTON, Plaintiff, vs. JOSEPH EDWARD PINKSTON, Deceased	Cause No. 3464 Civil No. 1552 ORDER Filed at Shanghai, China. July 22nd, 1932. Sgd L. T. Kenake Asst Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by her attorney, has this 22nd day of July, 1932, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 22nd day of July 1932, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 20th day of July, 1932, Loraine Lowder Pinkston, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has he been within the jurisdiction of this Court during the last year previous to the 20th day of July 1932;

NOW TEHEREFORE it is this 22nd day of July, 1932, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holiday, occurring after the 20th day of August, 1932, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

SGD MILTON D. PURDY
Judge.

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Children themselves, no less than their parents, are enthusiastic about Baby's Own Tablets. Of course, what child would not be—"Baby's Own" taste so nice and their effect is so gentle and pleasant.

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Baby's Own Tablets

NOTICE

To Subscribers

(Residing Overseas)

Dating from August 1, 1932 the subscription rate for persons residing outside of China has been reduced from G.$10 a year to G.$8 a year, including postage.

The new rate applies to subscribers residing in the United States, Canada, Europe and Russia.

The new rate, estimated in the currency of the Federated Malay States is equivalent to s. s. $15. In India, Australia and other places using English currency the rate is equivalent to £2:8:0.

The China Weekly Review

38 Avenue Edward VII

Shanghai.

He raps the moralists and religionists whom he considers largely responsible for creating an unwholesome attitude toward life and its simple animal functions, and asserts that "The lower passions of human nature are not the unqualified evils that moralists claim."

The book is full of interesting facts and figures. About birth control he states: "At least two-thirds of all the most intelligent stocks in England are today below the survival point in their fertility." It is of interest to note the rating of fertility per marriage of the cultured classes of the leading Western nations. Anglo-Saxon American is 1.5 as compared with England's 1.8 to 1.0, France's 2.5 to 3.0, Holland 3.5 and finally Italy 4.0 to 5.0. Only in Sweden, which has the lowest birth rate of the Western world, is the birth rate of the educator greater than that of the handworker.

Birth control given to the cultured classes and denied to the poor, the defective, the diseased, the depraved, has been responsible for this, he declares, and further that "should it (the rapid perishing of the best stocks) go on at the same pace as it is now going, racketeering will replace golf, cabarets, churches—and Communism will take the place of parliamentary government." Then he asks: "But what will Japan do with its children when they come to number sixty millions and they are allowed to play in the backyard of no country save their own? War must ensue. There is still a choice between contraception and starvation or legitimitized massacre."

A terse, witty style is not the least delightful thing about this very comprehensive and sincere expression of a man's views, whose life and experiences have served not to make him inarticulate and weary of his work, but anxious to transmit the very valuable knowledge that he has gained through thirty years of "doctoring." H.F.

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

Chen Yi Succeeds Huang Pin-heng as China's Air Chief

Dissatisfied with the lack of prospect of carrying out his aviation development program, General Huang Pin-heng, chief of the Chinese aviation force, has resigned and his resignation has been accepted by Generals Chiang Kai-shek and Ho Ying-ching. General Chen Yi, vice-minister of war, will succeed General Huang, while continuing to act as Vice-Minister of War concurrently. It is understood that in future the aviation force will be under the direct control of the Military Council, of which General Chiang Kai-shek is chairman.

White Guard Document Forgers on Trial in Berlin

The trial opened in Berlin last week of two Russian White Guardists, Abdul Khan Afshar and Elaguin, who are charged with the fabrication of anti-Soviet documents. In his opening statement to the court, counsel for the defense stated that the faked documents had been prepared by the accused "to the order of customers," including the Rumanian minister to Germany, the Spanish ambassador, the counsellor of the Japanese embassy, Mr. Togo, the Jugo-Slav and Finnish Ministers and the Italian Ambassador.

Chinese Imprisoned for Making a Contract With Soviet Syndicate

H. T. Yang, managing director of the Chihli Trading Company, Tientsin, has been arrested and is now under detention by order of Mayor Chow Lung-kuang and General Wang I-min, head of the Tientsin Public Safety Bureau, charged with having recently made a contract with the All Union Textile Syndicate of U. S. S. R. for the sale of Russian textiles. The Chinese authorities hold that China and Russia have not resumed diplomatic relations and any Chinese merchants signing contracts dealing with commodities from Soviet Russia, before the restoration of relations between China and Russia, are liable to be charged with breaking the law.

Soviet Citizens Entering Manchuria Must Report to Foreign Office Representative

A Japanese message from Mukden states that the Manchukuo Government has notified the Soviet Consul-General in Harbin that the Government would disavow all Chinese consuls and consuls-general in Soviet Russia and would adopt a provisional measure concerning Russians entering Manchukuo pending the establishment of Manchukuo consulates in Soviet Russia. The main point of the said provisional measure is that any Soviet citizen who wishes to enter Manchukuo should report to the special representative of the Manchukuo Foreign Office in Harbin through the Soviet Consul-General there.

Final Scores in Olympic Games---U. S. Far in Lead

The final official score-card of the Olympic Games at Los Angeles is as follows: Points:—United States 795, Italy 257½, France 213, Sweden 168, Germany 165½, Japan 153, Finland 143, Great Britain 139. Hungary 117, Canada 96, Holland 61, Australia 45, Poland 42, South Africa 40, Australia 40, Argentine 40, Denmark 30, Czecho-Slovakia 24, Ireland 23, Mexico 18, New Zealand 14, Philippine Islands 14, India 10, Belgium 7, Spain 6, Latvia 5, Switzerland 5, Brazil 4, Uruguay 4. The British Empire would take second place, with 368 points, if the totals of the countries within the Empire were added together.

Latest New York Stock Exchange Quotations

Market:—Firm Business Done 3,600,000 Shares

Aug. 17, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Mon. Aug. 15	Tues. Aug. 16
5¾	1⅝	—	Adams Express	5⅝	5⅝
87½	42½	•6.00	Allied Chemical & Dye	75	79
13⅝	4	—	Allis Chalmers	11¼	11⅝
73⅞	29⅝	•4.00	American Can	52⅝	54⅞
10½	2	—	Amer. & Foreign Power	10½	10½
6½	1⅛	—	Amer. & For. Power W.	6½	6½
19⅝	5⅛	—	American Smelting	17¼	18
137⅜	70¼	2.00	American Tel. & Tel.	109¾	114
86¾	44	•5.00	American Tobacco "B"	76	76½
34⅛	11	2.00	American Waterworks	24⅜	24½
12⅝	3	—	Anaconda Copper	9¼	9½
151¾	28¾	•4.00	Auburn Automobiles	67½	68
21⅜	3¾	—	Baltimore & Ohio	12¾	13⅜
24⅜	7¼	—	Bethlehem Steel	18½	19½
43⅛	20	•2.00	Borden Company	28¾	29½
12⅝	3⅜	—	Borg Warner	9¾	9¾
20⅝	7¼	1.25	Canadian Pacific Railway	14¼	14⅛
60	16¾	—	Case, J. I.	53	56
35¾	19	2.00	Chase Bank	32⅜	38¾
20⅝	4⅞	2 00	Chesapeake Corp.	14⅛	15
15¾	5	1.00	Chrysler	13½	13⅞
6⅞	1¼	—	Cities Service Co.	5½	5½
16⅛	4¼	1.00	Columbia Gas & Electric	14½	Not
4⅞	1⅝	.30	Commonwealth & Southern	3⅝	Not
¾	1/16	—	,, ,, warr.	⅝	11/6
68¾	31½	4.00	Consolidated Gas. of N.Y.	54¼	56¼
7½	3⅝	—	Continental Oil	7½	7⅝
47⅜	24¾	•3.00	Corn Products	41	42½
2¾	⅞	—	Curtiss Wright Co.	1¾	1⅝
57	23	4.00	Drug Incorporated	40⅜	42
59¾	22⅛	3.00	Du Pont de Nemours	34¾	35¾
87⅞	35¼	5.00	Eastman Kodak	51¼	53½
32⅝	5	6% S	Electric Bond & Share	22⅞	24
15⅜	2¾	—	Electric Power & Light	9¾	10¼
5⅜	1	—	Fox Film "A"	3½	3¾
26⅛	8½	.40	General Electric	18¼	19⅛
40½	19⅝	2.00	General Foods	27⅜	25⅝
24⅝	7⅝	1.00	General Motors	14¼	14⅞
28⅝	6⅛	1.00	General Railway Signal	14½	16
24¼	10⅜	1.00	Gillette Safety Razor	20⅝	21⅜
19⅝	8¼	1.60	Gold Dust	15¾	16.
6⅞	2¼	—	Goodrich Rubber	6¾	6¾
18⅞	5½	—	Goodyear Tire & Rubber	17	17⅞
18¾	3⅝	—	International Cement	10	10⅝
1⅞	½	—	International Combu. Eng.	1¼	1⅜
32⅜	10⅜	1.80	International Harvester	29½	29½
9¼	3½	—	International Nickel	8¼	8⅜
12¼	2⅜	—	International Tel. & Tel.	11⅜	11⅞
26½	10	—	Johns Manville	26⅛	27
13	4⅞	—	Kennecott	10½	11¼
9⅛	1/32	—	Kreuger & Toll	Unq.	¼
61¾	32⅛	•4.00	Liggett & Myers, "B"	54	56
34	13¼	•3.00	Loew's: Inc.	27⅝	27¼
16⅞	9	1.20	Lorillard P. Co. (com.)	15¾	17¼
6¼	1½	—	Ludlum Steel	4⅝	5½
12⅛	3½	—	Montgomery Ward	11⅝	11¼
54¼	23⅜	2.00	National City Bk. bid price	40½	48½
6⅝	2½	—	Nevada Copper	5¼	5⅜
36⅝	8¾	—	New York Central	24⅜	27
40	13¾	10%S	North American Co.	28⅝	29¾
37	16⅞	2.00	Pacific Gas & Electric	29½	30
5¼	1½	—	Packard Motors	3¾	3⅞
11½	1½	—	Paramount—Publix. Corp.	5¼	5⅞
23⅜	6½	—	Pennsylvania Railroad	15⅝	16⅛
3¾	1	—	Pennroad Corporation	2¾	2⅝
7⅜	2	—	Phillips Petroleum	7	7½
60	28	3.20	Public Service of N. Jersey	45¾	47½
10⅝	2½	—	Radio Corporation	8⅝	9⅜
7	1½	—	Radio-Keith Orpheum	4½	5
40¼	26½	3.00	Reynolds Tobacco "B"	33¾	Not
37⅜	9⅞	—	Sears Roebuck	Unq.	22⅜
6¾	2½	—	Shell Union	6⅝	6⅞
10½	3	—	Simmons Company	Unq.	8
11⅜	5¼	.80	Socony-Vacuum Corp.	11⅛	11
32¾	15¾	2.00	SouthernCaliforniaEdison.	27	27¾
34¼	7⅝	2 00	Standard Gas & Electric	18½	19
35¾	19⅞	•1.00	Standard Oil of N. Jersey	34¼	34
16⅞	9¼	1 00	Texas Corporation	16¼	16½
26¾	12	2.00	Texas Gulf Sulphur	20⅞	21½
6	2⅛	—	Trans America	5½	5⅜
36⅜	15½	1.20	Union Carbide & Carbon	23½	25
94½	27⅝	6.00	Union Pacific Railway	66¾	71½
16⅞	6½	—	United Aircraft & Trans.	16⅜	16
10½	3½	.40	United Corporation	9¾	10¼
21¾	9¼	1.20	United Gas Improvement	18¼	19¼
5½	1¼	—	U.S. Rubber	5	5¼
52⅝	21¼	—	U.S. Steel	40⅛	43⅛
18⅞	5¼	—	Vanadium	17⅛	17⅜
4⅜	½	—	Warner Bros. Pictures	2⅜	2½
35⅞	15⅞	—	Westinghouse E. & M.	34	38¼
45⅝	22	2.40	Woolworth	35	36
*Plus extras			Call Money	2%	2%

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The National City Co. Gold Bond Quotations Received From Head Office

Aug. 11, 1932.

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	46¼	—
Argentine Government	6 % May 1, 1960	41	—
U. S. of Brazil	6½% Oct. 15, 1957	18¼	—
Republic of Finland ..	6½% Sep. 1, 1956	56	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	43¼	—
Kingdom of Italy	7 % Dec. 1, 1951	94⅛	7.58
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	11½	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	53¼	—
American I.G. Chemical Corporation..	5½% May 1, 1949	73½	8.47
Rhine Westphalia Electric Power Corp. ..	6 % Apr. 1, 1955	42	—
QUOTATIONS RECEIVED FROM LONDON OFFICE			
Republic of China Gold Loan	5 % 1925	62	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	64	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	62	—
Chinese Government (Crisp Loan)	5 % 1912	40½	—
Shanghai-NankingRailway..	5 % 1904/08	33	—
Shanghai - Hangchow-Ningpo Railway ..	5 % 1908/58	61	—
Hukuang Railway.. ..	5 % 1911/1951	20	—
Tientsin-PukowRailway	5 % 1908/09	25	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, Aug. 17, 1932

Demand selling rate on America:	U.S. $1.00=Sh. $4.7300
Demand buying rate on America:	U.S. $1.00=Sh. $4.6276
Demand selling rate on London:	£1.0.0=Sh. $16.494
Demand buying rate on London:	£1.0.0=Sh. $16.160

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Hoover in Acceptance Speech Supports Kellogg Pact

In a speech on his general policy made in Washington August 11 by President Hoover accepting the Republican renomination for the Presidency, a firm pursuance of all the implications of the Kellogg Pact was featured. The President declared that in the spirit of the Pact in times of emergency "we shall consult other nations to promote world peace but not enter agreements committing us to any future course of action or which would call for the use of force to preserve peace. "Above all," continued the President," I have projected the new doctrine that we shall never recognise the title to the possession of territory gained in violation of peace pacts. That doctrine was accepted by all the Nations of the world on a recent critical occasion."

President Hoover opposed cancellation of war debts but was hopeful that a drastic reduction in armaments would ease the burden of the debtor countries, while "if for any particular annual payment we offered some other tangible form of compensation such as the expansion of the market for American products and the restoration and maintainance of of our prosperity, I am sure our citizens would consider such a proposal."

Regarding prohibition President Hoover favored state option with safeguards against the return of the saloon and the speakeasy. The President upheld the protective tariff and rejected the democratic proposal of a competitive tariff for revenue.

Other points of his program included restricted immigration, safety first in defence, a reform of the banking laws and a balanced budget.

France Approves Stimson Speech

Edouard Herriot, French Minister for Foreign Affairs, in an interview in Paris August 12 endorsed Col. H. L. Stimson's speech on the Kellogg Pact. He welcomed Col. Stimson's view that the Pact implies international consultation if necesssary, and declared that France was also convinced of the impossibility in the interests of peace, of attributing merely pious intentions to the Pact, but considered it an obligatory Treaty.

"It is indispensable that the Pact should be accepted as binding the Signatories without any restriction, except in the case of legitimate defence," said M. Herriot. He added that the question now to be settled was a procedure to prevent the transgression of solemn undertakings.

London Journal Advises Caution for Britain

A new appeal to British public opinion against all initiative or intervention in international affairs, even in the League of Nations, was made August 15 by the London *Evening Standard*, representing a sort of Monroe Doctrine for the British Empire. According to the journal, the intervention of Col. Henry L. Stimson, the U. S. Secretary of State, offers more danger than benefit since if the United States forsakes its isolation policy and intervenes in world affairs, it will naturally expect England to follow her and in this the journal sees a threat to the peace of the Empire. To approve too enthusiastically of Col. Stimson's speech, the editorial continues, would be dangerous since that would mean British responsiblity in an affair which is scarcely profitable to British interests. Great Britain must let it be understood, it concludes, on the first possible occasion that she does not desire to get mixed in the affairs of others, as she has been invited to do.

China to Suspend Radio Traffic with Manchuria

According to Chinese reports the Chinese government has tentatively decided on three principles concerning the telegraph and radio station in Manchuria: first, the suspension of telegraph and radio traffic between stations in China and Manchuria; second, "Manchukuo" circular telegrams will not be forwarded in China; third, the Chinese Foreign Office is officially to inform the American and British governments that "Manchukuo" is not authorized to take over rights provided for in agreements signed between China and the Powers previous to Japanese occupation in Manchuria. The above suggestions must receive the approval of the Executive Yuan before being enforced.

Japan's July Trade Shows Export Excess

According to the announcement made public by the Finance Ministry in Tokyo August 12 Japanese foreign trade for the month of July resulted in an excess of exports to the amount of 39,982,000 yen, the exports being 114,117,000 yen and the imports 74,135,000 yen.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

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A glance tells you that the V-8 Ford is a new automobile. Its beauty is expressive of new speed and power. Streamlines begin at the front of the car. They are reflected in the V-type radiator, in the hood, and in the windshield, which slants at 10 degrees. The front roof line is rounded, with inside sun visor. Top, sides and rear are gracefully curved, conforming with the air-flow principle.

These lines not only provide new beauty, but they serve a useful purpose. They lessen wind resistance, and thus have a favorable effect upon both speed and fuel economy.

Beauty marks the interiors with handsome upholstery, hardware and trim. The seats are deep and comfortable, and are placed low in the body. As the car itself has a lower center of gravity, you ride with a new sense of ease and comfort.

Safety glass throughout is standard in all de luxe bodies including the Sport Coupe, Cabriolet, Victoria and the Convertible Sedan. It is used in the windshields of all bodies and is available throughout in standard types at small extra cost.

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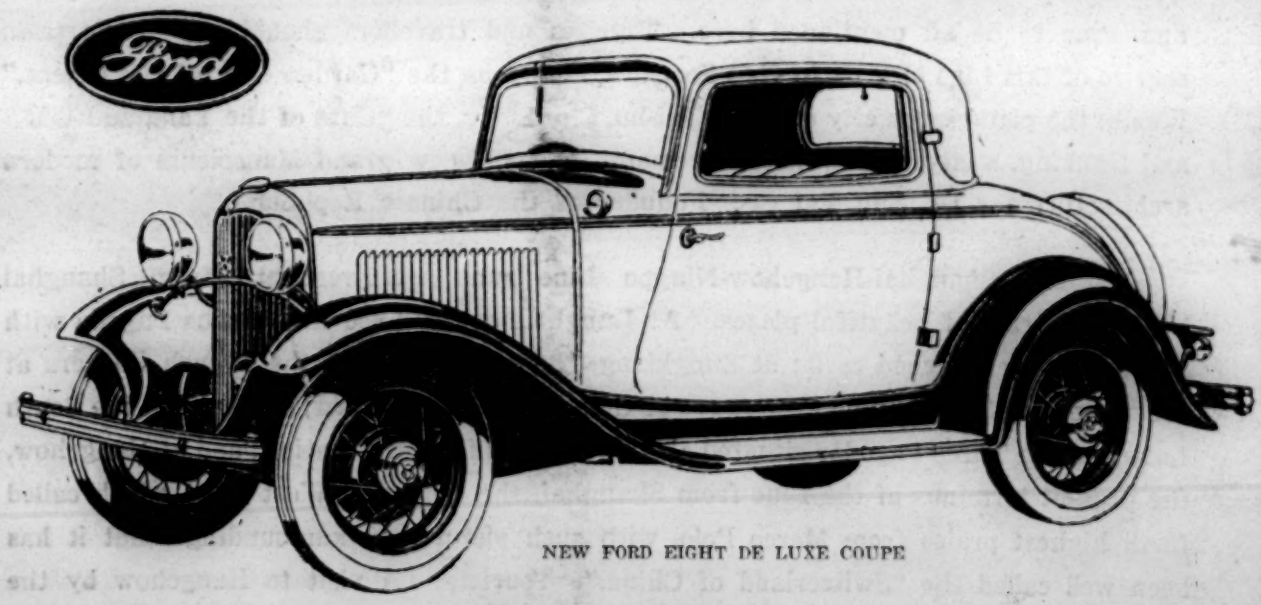

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